



**The Meeting Transcript of
The Los Angeles County
Board of Supervisors**



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1 [REPORT OF ACTION TAKEN IN CLOSED SESSION
2 TUESDAY, JUNE 7, 2010 BEGINS ON PAGE 136.]

3
4 **BUDGET DELIBERATIONS**

5
6
7
8 **SUP. MOLINA, CHAIR:** GOOD MORNING. WE'RE GOING TO BEGIN THIS
9 MORNING'S BUDGET MEETING AND HEARING. FIRST OF ALL, LET ME
10 THANK THE C.E.O. FOR A BAG OF GOODIES, TO SUSTAIN US, I GUESS.
11 DON'S ALREADY STARTED ON HIS.

12
13 **SUP. YAROSLAVSKY:** CARROTS ARE GOOD. ALL THE BETTER TO SEE YOU
14 WITH.

15
16 **SUP. MOLINA, CHAIR:** ANYWAY, SO IT IS MY UNDERSTANDING THAT
17 MIKE ANTONOVICH WILL BE ON HIS WAY IN SHORTLY. SO LET'S BEGIN
18 WITH A REPORT. BILL, ARE YOU GOING TO START OUT WITH A REPORT
19 ON THE ENTIRE BUDGET.

20
21 **C.E.O. FUJIOKA:** OKAY, GOOD MORNING. AS I START THIS REPORT,
22 FIRST I NEED TO RECOGNIZE THE HARD WORK THAT OUR DEPARTMENTS
23 HAVE DONE IN PUTTING THIS BUDGET TOGETHER AND WORKING WITH OUR
24 OFFICE AND WITH YOUR BUDGET DEPUTIES. I THINK WE KNOW THAT
25 THIS IS NOT THE FIRST YEAR OF A VERY DIFFICULT FINANCIAL



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1 PROBLEMS FOR THE COUNTY BUT ACTUALLY REPRESENTS THE THIRD
2 YEAR. WE HAVE DEPARTMENTS WHO HAVE BEEN ASKED AND WHO HAVE
3 WILLINGLY COOPERATED WITH EVERYONE TO IDENTIFY HOW WE WOULD
4 CLOSE OUR BUDGET GAP, HOW WE WOULD DEAL WITH THE FINANCIAL
5 CHALLENGES OVER THESE LAST THREE YEARS. WE SUBMITTED THE
6 PROPOSED BUDGET BACK IN APRIL. TODAY WE HAVE THE FINAL BUDGET.
7 BUT SOMEWHAT UNLIKE PREVIOUS YEARS, THE SUPPLEMENTAL BUDGET
8 THIS YEAR WILL TAKE ON A MUCH GREATER EMPHASIS. TO HIGHLIGHT
9 THAT POINT, SINCE WE CLOSED THE PROPOSED BUDGET, WE HAVE SEEN
10 SOME GROWTH IN REVENUE. WE'VE SEEN GROWTH IN OUR REALIGNMENT
11 TAX. WE'VE SEEN A LITTLE BIT OF UP TIC, A SMALL UP TICK IN
12 V.L.F. WE'VE ALSO SEEN GROWTH IN 172 TO THE POINT OF ABOUT \$38
13 MILLION. DURING TODAY'S DELIBERATIONS, WE'RE GOING TO
14 RECOMMEND HOW WE DEAL WITH THAT DOLLAR AMOUNT, ONLY TAKING A
15 VERY, VERY SMALL AMOUNT, ABOUT 10 MILLION OF IT. AT THE SAME
16 TIME, I THINK YOU KNOW THAT WE HAD A NUMBER OF LEGAL CASES
17 THAT HAVE GONE AGAINST THE COUNTY, WHICH HAS PUT A CHALLENGE
18 ON OUR FINANCES. WE ALSO HAVE WHAT'S OCCURRING AT THE STATE
19 AND THE FACT THAT THE STATE WILL NOT HAVE THEIR BUDGET DONE
20 UNTIL PROBABLY LATE THIS SUMMER AT BEST, PROBABLY EARLY FALL.
21 WE ALSO KNOW THAT AT THE FEDERAL GOVERNMENT, SOME CHANGES HAVE
22 BEEN MADE, INCLUDING WHAT'S HAPPENED WITH F.M.A.P. WE KNOW
23 THAT C.M.S., ALTHOUGH THEY HAVEN'T FORMALLY REJECTED OUR
24 PROVIDER FEE, THEY'VE SENT QUESTIONS BACK TO THE STATE THAT
25 MUST BE ANSWERED BEFORE THAT REVENUE, AND VERY CRITICAL



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1 REVENUE SOURCE FOR THE DEPARTMENT OF HEALTH SERVICES IS
2 FINALIZED. BUT, YET, AS WE MOVE FORWARD, WE'RE DOING
3 EVERYTHING POSSIBLE TO POSITION OUR SELF TO ENSURE THAT WE'RE
4 ABLE TO MEET THESE CHALLENGES. THE SUPPLEMENTAL BUDGET THAT
5 WILL OCCUR LATER IN SEPTEMBER, AS I SAID EARLIER IS VERY, VERY
6 IMPORTANT. BECAUSE WITH THE NUMBER OF ACTIONS WE TAKE AND
7 INCLUDING THE HARD HIRING FREEZE, THE FREEZE ON S&S, OUR
8 EFFICIENCIES, ALSO THE EFFORT TO EXTEND VENDOR CONTRACTS WITH
9 A DISCOUNT, WE'RE HOPING THAT WHEN WE DO CLOSE THE BOOKS,
10 WE'LL SEE OUR REVENUE WILL HOPEFULLY BE A LITTLE BIT MORE
11 POSITIVE THAN WHAT IT IS TODAY. SO EVEN THOUGH WE HAVE A
12 NUMBER OF QUESTIONS, THE ONE THING THAT I WOULD EMPHASIZE IS
13 THAT WE DO NOT MAKE ANY ADJUSTMENTS TO OUR BUDGET OTHER THAN
14 WHAT'S REFLECTED IN OUR REPORTS AND THAT WE BE PATIENT, WE
15 WAIT FOR THE SUPPLEMENTAL PROCESS TO FINISH. WITHIN OUR
16 OFFICE, THERE'S SID KIKKAWA AND HIS STAFF, HIS BUDGET TEAM,
17 HAS TAKEN A VERY CRITICAL ROLE IN PUTTING A VERY, VERY
18 DIFFICULT BUDGET TOGETHER. BECAUSE IN LOOKING AT -- JUST
19 EMPHASIZING SOMEWHAT, THE REVENUE POINT SOMEWHAT, I'VE LOOKED
20 AT REVENUE AND HOW REVENUE HAS COME IN TO THIS AREA, NOT JUST
21 THE COUNTY, BUT AS IT IMPACTED THE LAST PLACE I WORKED AT. AND
22 THIS YEAR MORE SO THAN ANY YEAR I EVER RECALL, OUR SALES TAX
23 REVENUE HAS BEEN VERY, VERY DIFFICULT TO CALL. WE KNOW
24 PROPERTY TAX IS ALSO A CHALLENGE BECAUSE OUR ASSESSMENT ROLL
25 IS DECLINING. BUT WE ALSO KNOW WE HAVE A LOT OF EMBEDDED



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1 WEALTH IN OUR PROPERTY TAX BECAUSE OF THE AGE OF OUR
2 COMMUNITY. AND EVEN THOUGH WE'RE SEEING SOME CHALLENGES WITH
3 OUR PROPERTY TAX REVENUE, IT'S NOTHING COMPARED TO OTHER
4 COUNTIES LIKE SAN BERNADINO OR RIVERSIDE THAT HAS A LOT OF
5 NEWER COMMUNITIES. BUT, YET, I THINK IT'S BECAUSE OF THE
6 COLLECTIVE STRENGTH, ESPECIALLY THE FINANCIAL POLICIES THAT
7 HAVE BEEN NOT ONLY APPROVED BUT ABSOLUTELY ADHERED TO BY THIS
8 BOARD, HAS ALLOWED US TO DEAL WITH THESE CHANGES AND DEAL WITH
9 THIS VERY DIFFICULT DOWNTURN. EVERYONE I'VE TALKED TO,
10 EVERYONE MY FOLKS HAVE TALKED TO HAVE SAID NEXT YEAR WILL
11 PROBABLY BE THE MOST DIFFICULT YEAR FOR LOCAL MUNICIPALITIES,
12 ACTUALLY MUNICIPALITIES UP AND DOWN THE STATE. THE FOLLOWING
13 YEAR WE HOPE TO SEE SOME GROWTH, EVEN THOUGH WE ARE SEEING A
14 LITTLE GROWTH RIGHT NOW IN SALES TAX. BUT THE FOLLOWING YEAR
15 WE'LL SEE GROWTH. SO 10/11 THE MOST DIFFICULT. 11/12 WE'LL SEE
16 GROWTH. AND WE'RE HOPING FOR RECOVERY IN 12/13. BUT WE'RE NO
17 LONGER JUST BOUND BY OR IMPACTED BY JUST OUR LOCAL ECONOMY.
18 THE STATE HAS A HUGE IMPACT, THE FED HAS AN IMPACT AND NOW
19 THERE'S A GLOBAL IMPACT THAT CREATES THIS DOMINO EFFECT. AND
20 SO OUR PRUDENT FISCAL PRACTICES AND POLICIES WILL HELP US
21 BRIDGE THIS VERY, VERY DIFFICULT TIME. NOW, MOVING INTO -- I
22 GUESS, MADAM CHAIR, WE'LL GO RIGHT DOWN THE AGENDA, STARTING
23 WITH NO. 1?

24

25 **SUP. MOLINA, CHAIR:** VERY GOOD.



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1

C.E.O. FUJIOKA: IT'S A REQUEST FOR APPROPRIATION ADJUSTMENTS
TO VARIOUS BUDGET UNITS. I'M ASKING THAT YOU APPROVE THE
ATTACHED OPERATING BUDGETS APPROPRIATIONS ADJUSTMENTS
NECESSARY TO REALIGN AND ADJUST THE FISCAL YEAR 2009/2010
BUDGET. AND ALSO FIND THAT THE PROPOSED CAPITAL PROJECTS DO
NOT MEET THE DEFINITION OF A PROJECT UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT AS CITED WITHIN THIS REPORT. AND
THEN ALSO APPROVE THE ATTACHED APPROPRIATION ADJUSTMENTS,
REALIGN AND ADJUST TO FIT FOR FISCAL YEAR 2009/2010 FINAL
ADOPTED BUDGET TO ADDRESS THE FINANCE REQUIREMENTS OF CERTAIN
CAPITAL PROJECTS. THERE'S A HOST OF CHANGES IN THIS REPORT.
UNLESS YOU HAVE ANY QUESTIONS, IT WASN'T MY INTENT TO READ
EACH AND EVERY ONE. BUT IT'S AT YOUR PLEASURE. HOW WOULD YOU
LIKE TO PROCEED?

16

SUP. MOLINA, CHAIR: ALL RIGHT. WE HAVE ITEM 1 BEFORE US. IT IS
AN ITEM THAT DEALS WITH ALL THE APPROPRIATION ADJUSTMENTS FOR
CAPITAL PROJECTS. IS THERE ANY QUESTION OR COMMENT ON THIS
ITEM AT ALL? IF NOT, IS THERE ANY OBJECTION? WE DON'T HAVE A
SPEAKER ON THIS ONE, RIGHT? SO ORDERED ON ITEM NO. 1. ALL
RIGHT. ON ITEM 2, BASICALLY IS A DISCUSSION ON THE BUDGET. AND
THE C.E.O. JUST GAVE US A BRIEFING ON IT FOR THE MOST PART. IS
THERE ANY QUESTION OR COMMENT ON THAT? I'M GOING TO HOLD OFF



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1 ON THAT FOR A MINUTE, RIGHT? BECAUSE JUST A DISCUSSION ITEM.

2 NOW --

3

4 **SUP. YAROSLAVSKY:** ARE WE GOING TO COME BACK TO THAT?

5

6 **C.E.O. FUJIOKA:** YES.

7

8 **SUP. MOLINA, CHAIR:** RIGHT. DO YOU WANT TO ADDRESS IT NOW?

9

10 **SUP. YAROSLAVSKY:** (OFF MIC COMMENT).

11

12 **SUP. MOLINA, CHAIR:** ON ITEM NO. 2, ONLY IF WE NEED TO.

13

14 **C.E.O. FUJIOKA:** IT'S UP TO THE BOARD.

15

16 **SUP. MOLINA, CHAIR:** THIS IS NOT THE BUDGET ITSELF. THIS IS

17 JUST THE UPDATE. DID YOU WANT TO ASK QUESTIONS ON THE C.E.O.'S

18 UPDATE?

19

20 **SUP. YAROSLAVSKY:** YEAH, WELL, I THINK WE OUGHT TO GET AN

21 UPDATE. THE LAST TIME WE HAD THE DISCUSSION AND RAISED THE

22 PROVIDER FEE AND THE F.M.A.P. ISSUE AND OTHER THINGS, MR.

23 FUJIOKA, YOU SAID IF THESE THINGS FALL THROUGH, THEN YOU HAVE

24 ANOTHER PLAN. AND I GUESS I WANT TO UNDERSTAND WHERE WE ARE ON

25 THIS BECAUSE THE F.M.A.P. EXTENSION IS IN SERIOUS TROUBLE, AS



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1 I THINK YOU KNOW. THE HOSPITAL PROVIDER FEE, I DON'T KNOW WHAT
2 THE LATEST IS ON THAT. AND MAYBE ON ALL THE ISSUES THAT ARE
3 ASSOCIATED WITH ITEM NO. 2 YOU COULD GIVE US AN UPDATE ON
4 WHERE THEY ARE AND WHEN YOU THINK IT WOULD BE APPROPRIATE --
5 WHAT WOULD BE THE APPROPRIATE TIME TO MAKE SOME ADJUSTMENTS IN
6 THE BUDGET IF THESE THINGS DON'T PAN OUT. AND I MEAN, YOU KNOW
7 THE DRILL. I'M JUST TRYING TO FIGURE OUT WHERE -- WHAT YOUR
8 THINKING IS ON ALL THIS RIGHT NOW.

9

10 **C.E.O. FUJIOKA:** THERE WAS A PREVIOUS MOTION, AND WITH THAT
11 DIRECTION TO OUR OFFICE TO COME BACK TO THE AND BOARD. AND THE
12 TENTATIVE DATE IS IN MID-JUNE. I'M GOING TO ASK FOR AN
13 EXTENSION ON THAT BECAUSE WE DON'T HAVE A FULL BOARD IN MID-
14 JUNE TO COME BACK WITH A PLAN IN THE EVENT SOME OF THESE
15 REVENUES DO NOT MATERIALIZE. WE KNOW THAT F.M.A.P. WAS NOT
16 INCLUDED IN THE EXTENDED BILL. THERE IS CONFLICTING
17 INFORMATION COMING OUT OF D.C. REGARDING HOW IT WILL BE
18 ADDRESSED. I KNOW EVERYONE'S CONCERN IS IF IT WILL BE
19 ADDRESSED. BUT WHETHER OR NOT IT'S GOING TO BE ADDED BACK BY
20 THE SENATE, WHETHER OR NOT THERE'S GOING TO BE ANOTHER VEHICLE
21 FOR BRINGING IT FORWARD. F.M.A.P. DOES EXPIRE DECEMBER 31 OF
22 THIS YEAR. AND THERE ARE SOME WHO FELT THERE WAS TIME. SOME
23 SAYING, ON THE CONGRESS SIDE AND ALSO ON THE SENATE SIDE, THAT
24 THERE'S TIME. BUT LIKE I MENTIONED, IT'S OUR INTENT TO COME
25 BACK WITH A PLAN ON WHAT WE WOULD DO IN NOT ONLY D.H.S.-- WELL



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1 PRINCIPALLY D.H.S. FOR THE PROVIDER FEE AND F.M.A.P. I'D LIKE
2 TO ASK FOR THE SAME TIME TO COME BACK WITH WHAT WE WOULD DO IN
3 MENTAL HEALTH AND D.P.S.S., BECAUSE AS YOU KNOW, F.M.A.P. HAS
4 IMPACTS NOT ONLY ON D.H.S., BUT THOSE OTHER TWO DEPARTMENTS.
5 THE PROVIDER FEE HAS NOT BEEN FORMALLY REJECTED. A NUMBER OF
6 QUESTIONS HAVE BEEN SENT BACK TO THE STATE. THERE'S A NUMBER
7 OF FOLKS, INCLUDING THE CALIFORNIA ASSOCIATION OF PUBLIC
8 HOSPITALS, SOME OF THE PRIVATE HOSPITALS ARE IN THE PROCESS OF
9 FORMULATING A RESPONSE TO THOSE QUESTIONS THAT -- OR IN FACT A
10 RESPONSE HAS BEEN DEVELOPED, IT HAS BEEN GIVEN BACK TO THE
11 STATE. AND NOW THE QUESTION IS HOW THE FEDERAL GOVERNMENT WILL
12 RESPOND TO THE ANSWERS PROVIDED THROUGH THOSE TWO DIFFERENT
13 ENTITIES.

14

15 **SUP. YAROSLAVSKY:** THAT, THE HOSPITAL PROVIDER FEE, IS ASSUMED
16 STARTING JULY 1ST IN THE BUDGET, ISN'T IT? IN OUR BUDGET?

17

18 **C.E.O. FUJIOKA:** WHICH IS TRUE.

19

20 **SUP. YAROSLAVSKY:** SO UNLIKE THE F.M.A.P., WHICH EXPIRES AT THE
21 END OF DECEMBER, THIS ONE HITS US IN THREE WEEKS. DO YOU HAVE
22 A PLAN ON HOW TO DEAL WITH THAT ONE?

23

24 **C.E.O. FUJIOKA:** WE WERE ASKED, AS I MENTIONED, THERE'S A
25 MOTION FOR US TO COME BACK IN MID-JUNE. BECAUSE WE WON'T HAVE



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1 THE -- WE CAN COME BACK IN MID-JUNE BECAUSE WE'VE BEEN WORKING
2 ON THAT PLAN. BUT I WAS GOING TO ASK OR SUGGEST THAT WE DO SO
3 THE FIRST WEEK OF JULY WHEN WE HAVE A FULL BOARD. BECAUSE
4 WE'LL HAVE AT LEAST ONE MEMBER ABSENT WHEN THE REPORT BACK IS
5 DUE.

6

7 **SUP. YAROSLAVSKY:** HAS YOUR OFFICE DONE ANY WORK PREPARATORY TO
8 A MITIGATION PLAN IN THE EVENT THAT THE HOSPITAL PROVIDER FEE
9 DOESN'T MATERIALIZE?

10

11 **C.E.O. FUJIOKA:** WE'VE BEEN TALKING ABOUT HOW WE WOULD
12 STRUCTURE THAT. WE WERE LOOKING AT -- I DON'T KNOW IF I SHOULD
13 GET INTO A LOT OF DETAIL RIGHT NOW BECAUSE WITHOUT THE
14 PROVIDER FEE, WE WOULD HAVE TO LOOK AT SOME VERY SERIOUS
15 CURTAILMENTS OF SOME OF OUR PROGRAMS AND SERVICES. AND WITH
16 THAT THERE WOULD BE A STRONG IMPACT ON THE STAFF WHO PROVIDE
17 THOSE SERVICES. IF I GOT INTO VERY SPECIFIC ELEMENTS OF IT, I
18 THINK THAT WOULD BE A PROBLEM AT THIS POINT IN TIME.

19

20 **SUP. YAROSLAVSKY:** WELL, WHY WOULD IT BE A PROBLEM?

21

22 **C.E.O. FUJIOKA:** WELL, IF WE STARTED TALKING ABOUT FACILITIES
23 OR PROGRAMS THAT WE'D HAVE TO CURTAIL, UNTIL WE GET WHERE WE
24 HAVE THE ADDITIONAL DISCUSSION WITH YOUR BOARD, SAYING IT IN



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1 THIS VENUE I DON'T THINK WOULD BE THE BEST VEHICLE AT THIS
2 POINT IN TIME.

3

4 **SUP. YAROSLAVSKY:** AT SOME POINT, IT SEEMS TO ME, YOU DON'T
5 HAVE TO BE EXCRUCIATINGLY SPECIFIC, BUT I THINK THE PEOPLE WHO
6 ARE EVALUATING BOTH THIS AND THE F.M.A.P. AND ANY OF THE OTHER
7 THINGS, IT WOULD BE USEFUL FOR THE PUBLIC AND FOR THE DECISION
8 MAKERS IN WASHINGTON TO KNOW WHAT THE CONSEQUENCES OF THEIR
9 ACTIONS OR INACTIONS WOULD BE. AND RIGHT NOW, THERE IS NO SUCH
10 INFORMATION IN THE PUBLIC DOMAIN. AND WHEN WE HAD THIS
11 DISCUSSION IN LATE APRIL, YOU INDICATED THAT YOU HAD A PLAN,
12 OR THAT THERE WOULD BE A PLAN. NOW WE'RE ON JUNE SEVENTH AND
13 YOU STILL DON'T HAVE A PLAN AND EVEN AN ANALYSIS OF WHAT THE
14 IMPACTS WOULD BE. AND MAYBE YOU DO AND YOU JUST DON'T WANT TO
15 SHARE IT TODAY, WHICH I -- THAT'S FINE. BUT I THINK THAT
16 BEFORE JULY -- AND THIS IS JUST ONE MAN'S OPINION, AND WE'VE
17 BEEN THROUGH THIS A FEW TIMES BEFORE IN THE LAST 15 OR SO
18 YEARS -- THAT IT'S HELPFUL TO OUR CAUSE IF THE PEOPLE ON WHOM
19 WE'RE DEPENDING FOR THE RIGHT DECISION KNOW WHAT THE
20 CONSEQUENCES OF AN ADVERSE DECISION TO US WOULD BE. AND IT
21 MAKES NO SENSE TO KEEP IT A SECRET FROM THEM OR FROM THE
22 PUBLIC BECAUSE I THINK IT HELPS OUR CAUSE FOR THEM TO BE ABLE
23 TO SEE IN FULL RELIEF WHAT THE IMPACT OF THESE THINGS ARE, OF
24 THEIR DECISIONS OR LACK OF DECISIONS ARE. AND SO I JUST SEE US
25 KICKING, TO USE THE TOO MUCH USED PHRASE, KICKING THE CAN DOWN



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1 THE ROAD. IF WE'RE LOOKING AT EARLY JULY FOR THE FIRST TIME TO
2 HAVE A DISCUSSION ABOUT CURTAILMENTS OR WHATEVER THE
3 MITIGATION WOULD BE, ONCE WE'RE INTO JULY, AS YOU'RE AWARE,
4 EVERY DOLLAR WE DON'T MITIGATE IS TWO DOLLARS WE'RE GOING TO
5 HAVE TO MITIGATE LATER IN THE YEAR. AND THAT IS WHAT THEY'VE
6 DONE DOWN THE STREET. AND THAT IS WHAT THEY'VE DONE IN
7 SACRAMENTO. AND I HOPE WE'RE NOT GOING DOWN THAT ROAD.

8

9 **C.E.O. FUJIOKA:** IT'S NOT OUR INTENT TO GO DOWN THE ROAD. IN
10 LOOKING AT THIS PROVIDER FEE AND WORKING WITH THE ENTITIES WHO
11 HAVE DEVELOPED RESPONSES TO THE C.M.S.'S CONCERNS, OUR
12 RESPONSES ARE THE PROPOSAL THAT'S BEEN DEVELOPED BY THE
13 PRIVATE HOSPITALS AND OUR CALIFORNIA ASSOCIATION OF PUBLIC
14 HOSPITALS IS IDENTICAL TO WHAT C.M.S. APPROVED FOR ANOTHER
15 STATE, THE STATE BEING ILLINOIS. AND SO THOSE WHO ARE WORKING
16 ON IT FELT THAT THERE IS STILL A POSSIBILITY WE CAN GET THIS
17 FEE THROUGH. WE SHOULD HAVE A RESPONSE FROM C.M.S. WITHIN, WE
18 THINK THE NEXT COUPLE OF WEEKS THAT WOULD BE MUCH MORE
19 DEFINITIVE THAN WHERE WE'RE AT RIGHT NOW. I THINK BEFORE WE
20 HAVE THE PUBLIC DISCUSSION, CONSISTENT WITH OUR PRACTICE, I
21 THINK WE NEED TO HAVE THE PRIVATE DISCUSSION TO MAKE SURE WE
22 HAVE SOME DEGREE OF CONSENSUS AND DIRECTION WE'RE GOING. BUT I
23 AGREE WITH YOU. AND WE'RE DEVELOPING THAT. WE SHOULD HAVE MORE
24 INFORMATION NOW AVAILABLE TOWARDS THE END OF THIS WEEK AND
25 THEN WE CAN START HAVING SOME PRELIMINARY DISCUSSIONS.



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2 **SUP. KNABE:** MADAM CHAIR? GLORIA? COULD I JUST?

3

4 **SUP. MOLINA, CHAIR:** MR. KNABE?

5

6 **SUP. KNABE:** COULD I MAKE A SUGGESTION, POSSIBLY -- BECAUSE I
7 SHARE THE SAME CONCERN THAT ZEV HAS. I'M NOT SURE THAT WE HAVE
8 A PARTICULAR GROUP -- AND MAYBE I'M JUST NOT PRIVY TO THAT
9 PIECE OF INFORMATION, LIKE A RED TEAM KIND OF A SITUATION THAT
10 IS DOING NOTHING ON A DAILY BASIS BUT CHASING THIS PROVIDER
11 FEE, COORDINATING ALL THE PUBLIC/PRIVATEs, EVERYBODY ELSE.
12 BECAUSE IT'S EXTREMELY IMPORTANT. AND PUT TOGETHER A RED TEAM
13 OF SOME SORT TO STAY ON TOP OF THIS, NOT GO BACK TO WORK ON IT
14 ON WEDNESDAY, BUT TODAY, TOMORROW, THE NEXT DAY, UNTIL WE GET
15 SOMETHING DEFINITIVE AND TO REALLY WORK IT AND WORK IT HARD
16 AND TO ALERT ANY OF US IF THERE'S WAYS THAT WE CAN ASSIST. BUT
17 I WOULD LIKE TO SEE SOME SORT OF A RED TEAM KIND OF A
18 SITUATION TO WHERE WE'RE REALLY CHASING THIS THING ON A DAILY
19 BASIS. I MEAN IT'S A BIG NUT. AND IMPORTANT, BECAUSE AS ZEV
20 POINTED OUT, THIS ISN'T SOMETHING THAT EXPIRES AT THE END OF
21 DECEMBER. THIS IS JULY 1. AND WHILE WE'RE WAITING, I KNOW
22 WE'RE WAITING FOR THAT RESPONSE FROM C.M.S. AND WE GOT THE
23 ISSUE WITH ILLINOIS, I REALLY THINK YOU SHOULD PUT TOGETHER A
24 RED TEAM OF SOME SORT AND REALLY CHASE THIS THING ON A DAILY
25 BASIS UNTIL WE GET A DEFINITIVE ANSWER UP OR DOWN.



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1

2 **SUP. YAROSLAVSKY:** I THINK THAT'S A GOOD IDEA.

3

4 **SUP. RIDLEY-THOMAS:** MADAM CHAIR?

5

6 **SUP. YAROSLAVSKY:** I WASN'T DONE YET.

7

8 **SUP. RIDLEY-THOMAS:** MADAM CHAIR, WHEN THE CHAIR IS PREPARED TO
9 RECOGNIZE ME, I'D LIKE TO WEIGH IN. THANKS.

10

11 **SUP. YAROSLAVSKY:** LET ME JUST FINISH ON THIS AND THEN I JUST
12 HAVE ONE OR TWO OTHER QUESTIONS AND I'LL BE DONE. HAS YOUR
13 OFFICE DONE ANY KIND OF WORK INTERNALLY TO THIS POINT ON
14 POTENTIAL OPTIONS FOR DEALING WITH EITHER THE HOSPITAL
15 PROVIDER FEES, FAILURE OR AN F.M.A.P. -- FAILURE TO EXTEND THE
16 F.M.A.P.? ARE YOU GUYS WORKING ON ANYTHING AT THIS POINT IN
17 TIME? OR ARE YOU DEFERRING ANY WORK ON THAT, ANY OPTIONS
18 ANALYSIS EVEN INTERNALLY IN YOUR OWN OFFICE UNTIL LATER THIS
19 MONTH OR EARLY NEXT MONTH?

20

21 **C.E.O. FUJIOKA:** I THINK I JUST MENTIONED THAT WE'VE HAD
22 DISCUSSIONS ON WHAT WE WOULD ADDRESS, WHAT PROGRAMS, WHAT
23 ACTUAL FACILITIES THAT WE WOULD END UP CURTAILING IF WE WERE
24 TO LOSE SOMETHING LIKE F.M.A.P. OR THE PROVIDER FEE. I
25 MENTIONED THAT EARLIER. SO THE ANSWER TO YOUR QUESTION IS YES.



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1

2 **SUP. YAROSLAVSKY:** I KNOW YOU'VE HAD DISCUSSIONS. DOES THAT
3 MEAN YOU HAVE SOME PEOPLE YOU'VE ASSIGNED IN YOUR SHOP TO DO
4 SOME ANALYSIS SO THAT THEY'D BE PREPARED AT THE END OF THIS
5 MONTH TO GIVE US OPTIONS?

6

7 **C.E.O. FUJIOKA:** OUR HEALTH TEAM IS WORKING ON THIS ISSUE. I'VE
8 GIVEN THEM VERY SPECIFIC INSTRUCTIONS ON HOW I WOULD APPROACH
9 IT, HOW WE WOULD START WITH SOME OF THE PROGRAM CURTAILMENTS
10 OR WITH THAT, WHAT FACILITIES I THINK WE'D HAVE TO BACK AWAY
11 FROM, WHAT PARTICULAR SERVICES WE'D HAVE TO BACK AWAY FROM.
12 AND SO WITHOUT -- SHORT OF GIVING YOU A WRITTEN REPORT BECAUSE
13 WE NEED INPUT FROM D.H.S. ON COSTS AND BUDGET ASSOCIATED WITH
14 SOME OF THOSE PROGRAMS, WE HAVE HAD A DISCUSSION.

15

16 **SUP. YAROSLAVSKY:** ALL RIGHT. I'LL FOLLOW THAT UP LATER. OKAY,
17 THANK YOU.

18

19 **SUP. MOLINA, CHAIR:** ALL RIGHT. SUPERVISOR KNABE, YOU DID
20 FINISH YOUR COMMENTS? ALL RIGHT. SUPERVISOR RIDLEY-THOMAS?

21

22 **SUP. RIDLEY-THOMAS:** THANK YOU VERY MUCH, MADAM CHAIR. IT SEEMS
23 TO ME THAT IT WOULD BE USEFUL IN THE IMMEDIATE SENSE TO HAVE
24 APPROPRIATE BRIEFINGS FOR EACH OF THE OFFICES AS DEEMED
25 APPROPRIATE TO GET TO AN UPDATE ON WHERE WE ARE ON THIS AND



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1 RELATED MATTERS. AND I WOULD FORMALIZE, THAT, MADAM CHAIR,
2 WITH THE IDEA BEING THAT IT WOULD COME BACK TO THE BOARD AT
3 THE TIME DEEMED APPROPRIATE BY THE BOARD AT THE RECOMMENDATION
4 OF THE C.E.O. BUT TO HAVE A CIRCUMSTANCE WHERE BOARD MEMBERS
5 ARE ESSENTIALLY SAYING MORE CLARITY, MORE INFORMATION IS
6 NEEDED. I UNDERSTAND THE SENTIMENT EXPRESSED BY THE C.E.O.,
7 BUT THERE PROBABLY NEEDS TO BE SOME WAY TO CLOSE THE GAP
8 BETWEEN THAT WHICH ISN'T KNOWN AND THAT WHICH ULTIMATELY IS
9 DESIRED TO BE KNOWN. AND SO THIS WEEK SEEMS TO ME TO BE AN
10 APPROPRIATE TIME TO BEGIN THAT ROUNDING. AND IF THAT'S
11 ACCEPTABLE TO THE CHAIR, I'D BE GLAD TO FORMALIZE THAT BY THE
12 WAY OF A MOTION.

13

14 **SUP. MOLINA, CHAIR:** LET ME ASK A QUESTION. BECAUSE IF I
15 UNDERSTAND IT CORRECTLY, YOU'RE TALKING ABOUT JUST ON THE
16 HEALTH DEPARTMENT, IS THAT CORRECT?

17

18 **SUP. RIDLEY-THOMAS:** RIGHT. F.M.A.P. AND RELATED.

19

20 **SUP. MOLINA, CHAIR:** BILL, LET ME JUST CLARIFY AND ASK THE
21 QUESTION BECAUSE IT'S A LITTLE CONFUSING. ON THE F.M.A.P.
22 RIGHT NOW -- AND THIS IS THE ONE THAT EVERYBODY IN D.C.
23 ASSURED US WAS A DONE DEAL. AND THE TOTAL FOR US ON THE BUDGET
24 IS HOW MUCH? 40 MILLION?

25



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1 **C.E.O. FUJIOKA:** NO. IT'S MORE THAN THAT.

2

3 **SUP. MOLINA, CHAIR:** THAT'S WHAT I WANT TO KNOW. I THOUGHT THE
4 PROVIDER FEE WAS 100. THAT'S WHAT I'M TRYING TO UNDERSTAND.

5

6 **C.E.O. FUJIOKA:** WELL, THIS F.M.A.P. IMPACTS HEALTH, D.P.S.S.
7 AND MENTAL HEALTH. SO IT'S MUCH MORE THAN THE 40 OR 50.

8

9 **SUP. MOLINA, CHAIR:** OKAY. SO WHAT IS IT?

10

11 **SUP. YAROSLAVSKY:** WE WENT THROUGH THIS LAST WEEK. IT'S 100 FOR
12 THE HEALTH DEPARTMENT ANOTHER 60 OR 70 OR SOMETHING LIKE THAT
13 FOR D.C.F.S. AND MENTAL HEALTH OR WHATEVER THE OTHER
14 DEPARTMENTS ARE. AND THE PROVIDER FEE IS SOMEWHERE BETWEEN 137
15 AND 170 MILLION.

16

17 **SUP. MOLINA, CHAIR:** OKAY. I HEARD THE PROVIDER FEE IS 173.
18 THAT'S WHAT I WANT TO GET A CLARIFICATION ON.

19

20 **C.E.O. FUJIOKA:** IT'S ABOUT \$100 MILLION, \$102 MILLION.

21

22 **SUP. MOLINA, CHAIR:** WAIT, 100 OR 150?

23

24 **C.E.O. FUJIOKA:** A HUNDRED AND TWO.

25



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1 **SUP. MOLINA, CHAIR:** A HUNDRED AND TWO MILLION.

2

3 **SUP. YAROSLAVSKY:** THAT'S F.M.A.P. FOR THE HEALTH DEPARTMENT.

4

5 **SUP. MOLINA, CHAIR:** JUST FOR THE HEALTH DEPARTMENT?

6

7 **C.E.O. FUJIOKA:** NO, I BELIEVE THAT'S FOR THREE DEPARTMENTS.

8

9 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT'S WHY I'M ASKING THE
10 QUESTION ONE MORE TIME. ON THE HEALTH DEPARTMENT --

11

12 **C.E.O. FUJIOKA:** OKAY. WE'RE LISTENING.

13

14 **SUP. YAROSLAVSKY:** BUT IF I COULD JUST CLARIFY BECAUSE IT'S
15 COMPLICATED.

16

17 **SUP. MOLINA, CHAIR:** I KNOW IT'S COMPLICATED.

18

19 **SUP. YAROSLAVSKY:** THERE'S 68 MILLION ADDITIONAL DOLLARS THAT
20 ARE EMBEDDED IN THE PROVIDER FEE THAT GET FOLDED INTO THE
21 F.M.A.P. SO THE TOTAL IS 168, 169 MILLION.

22

23 **C.E.O. FUJIOKA:** YES, IT'S 170 IF YOU ADD THE PROVIDER FEE.

24



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1 **SUP. MOLINA, CHAIR:** ALL RIGHT. LET'S START ONCE AGAIN. IN OUR
2 BUDGET RIGHT NOW, JOHN, DON'T GO TOO FAR, WE NEED TO ASK TO
3 CLARIFY THESE QUESTIONS, IN OUR BUDGET, WE DID NOT INCLUDE THE
4 PROVIDER FEE; IS THAT CORRECT? IN OUR BUDGET AS IS.

5

6 **C.E.O. FUJIOKA:** ACTUALLY THE PROVIDER FEE IS INCLUDED IN THE
7 BUDGET.

8

9 **SUP. MOLINA, CHAIR:** IS INCLUDED?

10

11 **C.E.O. FUJIOKA:** YES IT IS. AS IS F.M.A.P., RIGHT?

12

13 **SUP. MOLINA, CHAIR:** WELL BECAUSE LAST WEEK WHEN WE SORT OF
14 THIS ASKED THIS QUESTION, WE WERE TOLD THAT IT WAS NOT
15 INCLUDED. AND I WANT TO UNDERSTAND THIS CORRECTLY.

16

17 **C.E.O. FUJIOKA:** WE'RE LISTENING.

18

19 **SUP. MOLINA, CHAIR:** I THINK THE QUESTION WAS ASKED LAST WEEK.
20 NOW IT WAS MY UNDERSTANDING THAT IN THE BUDGET, WHICH IS A
21 CONTINUOUS DEFICIT UNFORTUNATELY FOR US, IS THAT -- WHICH ONE
22 IS INCLUDED AND NOT INCLUDED IN THE BUDGET AS OF TODAY?

23

24 **SHEILA SHIMA:** SHEILA SHIMA, DEPUTY C.E.O., HEALTH AND MENTAL
25 HEALTH. I WANT TO CLARIFY THAT THE BUDGET INCLUDES A



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1 PLACEHOLDER. THERE ARE TWO COMPONENTS TO THE PLACEHOLDER. ONE
2 COMPONENT IS A REDUCTION IN APPROPRIATIONS, SO EXPENDITURE
3 AUTHORITY. AND THE OTHER COMPONENT IS POSSIBLE REVENUE
4 SOLUTIONS. AND SO ONE OF THOSE COMPONENTS OF THE POTENTIAL
5 REVENUE SOLUTIONS IS THE HOSPITAL PROVIDER FEE, BUT IT IS NOT
6 SPECIFICALLY IDENTIFIED AS A LINE ITEM, JUST A POTENTIAL
7 REVENUE SOLUTION.

8

9 **SUP. MOLINA, CHAIR:** SO IT'S NOT SPENT. IT'S NOT SPENT.

10

11 **SHEILA SHIMA:** IT IS ACTUALLY ANTICIPATED AS A POTENTIAL
12 REVENUE SOLUTION THAT WOULD HELP THEIR BUDGET.

13

14 **SUP. MOLINA, CHAIR:** I UNDERSTAND. AMONGST THE LIST OF ABOUT
15 SIX ITEMS THAT YOU HAD?

16

17 **SHEILA SHIMA:** RIGHT.

18

19 **SUP. MOLINA, CHAIR:** RIGHT? SO LET ME UNDERSTAND THAT. SO WE
20 HAVE A DEFICIT IN OUR HEALTH DEPARTMENT.

21

22 **SHEILA SHIMA:** CORRECT.

23

24 **SUP. MOLINA, CHAIR:** ALL RIGHT. AND THE PROVIDER FEE IS BUT ONE
25 COMPONENT OF THE REVENUE SOLUTION. IS THAT CORRECT?



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1

2 **SHEILA SHIMA:** CORRECT.

3

4 **SUP. MOLINA, CHAIR:** SO IT WASN'T -- I MEAN, I GUESS WHAT YOU
5 CAN SAY, IT IS ONE OF THE REVENUE SOURCES THAT WILL SOLVE THE
6 POTENTIAL PROBLEM. BUT THERE IS GOING TO BE A PROBLEM.

7

8 **SHEILA SHIMA:** CORRECT.

9

10 **SUP. MOLINA, CHAIR:** NOW, THE ONE THAT WE HAD THE MOST
11 ASSURANCES OF WAS THE F.M.A.P. RIGHT? WHAT DOES THAT MEAN FOR
12 THE HEALTH DEPARTMENT? WHAT'S THE AMOUNT? THE HEALTH
13 DEPARTMENT BUDGET IS ALWAYS SO HARD TO UNDERSTAND. WE ALL TRY.

14

15 **DR. JOHN SCHUNHOFF:** ALONE THE EXTENSION OF THE F.M.A.P. IS
16 WORTH 34 MILLION TO US.

17

18 **SUP. MOLINA, CHAIR:** I SEE. OKAY.

19

20 **SUP. KNABE:** BUT THAT'S THE ONE THAT DOESN'T EXPIRE UNTIL
21 DECEMBER.

22

23 **DR. JOHN SCHUNHOFF:** BUT WHEN YOU COMBINE IT WITH -- IF IT GETS
24 APPROVED, EXTENDED AND IF THE HOSPITAL FEE GETS APPROVED AND



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1 EXTENDED, THE COMBINATION OF THOSE IS 100 MILLION THAT
2 SUPERVISOR YAROSLAVSKY WAS TALKING ABOUT.

3

4 **SUP. MOLINA, CHAIR:** TO THE HEALTH DEPARTMENT.

5

6 **DR. JOHN SCHUNHOFF:** TO THE HEALTH DEPARTMENT.

7

8 **SUP. MOLINA, CHAIR:** BUT AGAIN, THIS IS ON ANTICIPATED REVENUE
9 TO FIX THE HEALTH DEPARTMENT DEFICIT. IS THAT CORRECT?

10

11 **SHEILA SHIMA:** CORRECT. IF IT WERE TO BE RECEIVED, IT WOULD BE
12 PART OF THE POTENTIAL REVENUE SOLUTIONS THAT ARE CURRENTLY
13 BALANCING THEIR BUDGET.

14

15 **SUP. MOLINA, CHAIR:** ALL RIGHT. SO LET ME UNDERSTAND AGAIN. WE
16 HAVE VARIOUS PLACE HOLDERS IN PLACE NOW. NOT JUST IN THIS
17 DEPARTMENT BUT ACROSS-THE-BOARD IN DIFFERENT AREAS AS AN
18 INTERIM PLACEHOLDER AS CERTAIN ISSUES BECOME RESOLVED EITHER
19 LEGISLATIVELY IN SACRAMENTO OR IN D.C. SO THIS IS ONE OF THEM,
20 AND THAT'S WHY I WANT TO PUT IT IN WITHIN THE RIGHT FRAMEWORK,
21 SUPERVISOR THOMAS, BECAUSE WE COULD START TALKING ABOUT A
22 POTENTIAL PLAN. AND MAYBE WE SHOULD, AND I DON'T HAVE A
23 PROBLEM WITH THAT. I THINK ALWAYS MORE INFORMATION THAT YOU
24 HAVE, I THINK YOU CAN MAKE BETTER DECISIONS. BUT I DO WANT TO
25 UNDERSTAND THE APPROPRIATE SETTING. SO EVEN IF WE HAD A



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1 BRIEFING IN THE NEXT WEEK OR TWO, I'M NOT SO SURE THAT IT
2 WOULD NECESSARILY BALANCE WHERE WE'RE AT. BECAUSE THE OTHER
3 ISSUE OUT THERE, EVEN THOUGH WE DID GET SOME GOOD NEWS
4 POTENTIALLY FROM THE STATE ON THE WAIVER, IS THAT -- I MEAN,
5 THAT'S STILL TO BE NEGOTIATED. AND SO THAT COULD CREATE A
6 WHOLE DIFFERENT SET OF CIRCUMSTANCES. IS THAT NOT CORRECT FOR
7 THIS DEPARTMENT?

8

9 **C.E.O. FUJIOKA:** THAT'S TRUE. THAT'S ABSOLUTELY TRUE.

10

11 **SUP. MOLINA, CHAIR:** SO I'M JUST SAYING THAT WITHIN YOUR
12 MOTION, I WOULD APPRECIATE -- I MEAN I UNDERSTAND WE SHOULD
13 GET A BRIEFING ON WHAT'S THE PLAN SHOULD THIS HAPPEN. AND
14 MAYBE THERE IS THE POTENTIAL OF SUCH A PLAN. BUT THERE ARE SO
15 MANY, YOU KNOW.

16

17 **SUP. RIDLEY-THOMAS:** PIECES, YEAH.

18

19 **SUP. MOLINA, CHAIR:** BALLS IN THE AIR IN THE HEALTH DEPARTMENT
20 BUDGET ALONE, AND PLACEHOLDER IS NOT A NEW THING FOR ANY OF
21 THESE BUDGETS. WE HAVE THEM IN DIFFERENT AREAS. LABOR
22 CONCESSIONS ARE PLACEHOLDERS IN MANY OF OUR DEPARTMENTAL
23 BUDGETS THAT ARE GOING TO BE A RESOLUTION OF WHETHER IN FACT
24 THERE IS A GAP OR NOT A GAP. AND SO I KNOW THAT SOUNDS ODD,
25 BUT IT'S MY UNDERSTANDING HOW THE BUDGET IS BEING DRAFTED. SO



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1 THAT'S WHY I ASKED FOR THAT CLARIFICATION BECAUSE THERE SHOULD
2 BE A PLAN. AND I THINK THAT'S WHAT SUPERVISOR YAROSLAVSKY IS
3 ASKING. WHAT IF? WHAT WOULD HAPPEN? WHAT WOULD WE DO? WOULD WE
4 CLOSE OUR CLINICS? WOULD WE CLOSE CERTAIN NUMBER OF BEDS?
5 WOULD WE CLOSE SPECIALTY SERVICES? WOULD WE CLOSE -- WHAT
6 WOULD WE DO? HOW WOULD WE START CURBING OUR SERVICES? AND I
7 THINK THAT ONE OF THE THINGS THAT WOULD BE HELPFUL AND I THINK
8 THE POINT THAT SUPERVISOR YAROSLAVSKY WAS MAKING IS THAT IT
9 MIGHT BE WORTHWHILE FOR OUR LEGISLATIVE LEADERSHIP, OUR
10 CONGRESSIONAL LEADERSHIP TO HAVE A BETTER UNDERSTANDING OF THE
11 IMPLICATIONS. WHEN I CALLED LAST WEEK, WAS IT LAST WEEK OR THE
12 WEEK BEFORE? I CAN'T EVEN REMEMBER NOW.

13

14 **SUP. YAROSLAVSKY:** WEEK BEFORE.

15

16 **SUP. MOLINA, CHAIR:** WEEK BEFORE. ABOUT ALL OF A SUDDEN THAT
17 THE F.M.A.P. WAS NOT AS SURE AS IT WAS AND THEY WERE "OH,
18 DON'T WORRY ABOUT IT. WE'RE PUTTING IT BACK IN. DON'T WORRY,
19 YOU KNOW, IT WAS JUST A LITTLE HEAVY DUTY FOR THIS BILL BUT
20 WE'RE GOING TO PUT IT IN THIS OTHER BILL." WELL I HOPE THAT IT
21 IS AS LIGHT AS THEY WERE MAKING LIGHT OF BECAUSE IT MAKES ME
22 NERVOUS WHEN IT'S SO MUCH MONEY FOR US. SO I GUESS, BILL, GIVE
23 US AN IDEA. HOW SHOULD WE APPROACH IT? THERE'S SOME LEGITIMACY
24 IN SAYING HERE'S THE POTENTIALS OF WHAT WOULD HAPPEN. I MEAN
25 IT'S ONE THING TO KNOW THAT WHEN YOU HAVE A \$40 MILLION GAP OR



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1 \$100 MILLION GAP IN A BILLION DOLLAR BUDGET THAT THE
2 DEPARTMENT HAS, IT'S HARD TO TELL THE IMPACT. SO SHOULD WE
3 APPROACH IT THAT WAY? BECAUSE WE STILL HAVE THE WAIVER ISSUE
4 OUT THERE, WHICH IS GOING TO ADD -- I MEAN IF EVERYTHING GOES
5 AS PRESENTED SO FAR, AND THE STATE IS AS COOPERATIVE AS THEY
6 HAVE BEEN WITH US ON IT, WE MAY HAVE A REAL CHANCE TO REALLY
7 ONLY HAVE A SMALLER DEFICIT THAN WE PRESENTLY HAVE TODAY. SO
8 SHARE WITH ME. HOW SHOULD WE APPROACH THIS? I MEAN, THERE'S
9 LEGITIMACY.

10

11 **SUP. KNABE:** THAT WAS THE PURPOSE BEHIND MY RED TEAM IDEA, WAS
12 TO DO EXACTLY, TO MOBILIZE EVERYONE TO PUT A FACE ON THIS.

13

14 **SUP. MOLINA, CHAIR:** WELL IF WE'RE GOING TO PUT A FACE ON IT,
15 THEN THERE HAS TO BE A PLAN.

16

17 **SUP. RIDLEY-THOMAS:** MADAM CHAIR, IF I MAY? MAY I?

18

19 **SUP. MOLINA, CHAIR:** OKAY. SURE.

20

21 **SUP. RIDLEY-THOMAS:** WHICH IS THE THRUST OF THE SUGGESTION THAT
22 I CHOSE TO FORMALIZE IN TERMS OF A MOTION, THAT THE C.E.O. BE
23 ESSENTIALLY INSTRUCTED TO UPDATE US ON WHERE THAT IS IN VIEW
24 OF THE FACT THAT THIS ISN'T THE THING YOU DEEMED MOST
25 APPROPRIATE FOR THAT, I'M PREPARED TO RESPECT THAT POINT OF



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1 VIEW. BUT THE EXTENT TO WHICH THERE IS A DESIRE ON THE PART OF
2 THE RESPECTIVE MEMBERS OF THE BOARD TO KNOW WHERE WE ARE AND
3 BEGIN TO THINK ABOUT IT. IT WOULD SEEM TO ME THE DISTILLATION
4 OF THE CONCERNS RAISED BY VARIOUS MEMBERS CAN BEST BE HANDLED
5 WITH THE C.E.O. UPDATING WHATEVER THE PLANS ARE AT THIS POINT
6 IN TIME, THE ISSUES, THE PROBLEMS, THE CHALLENGES AS YOU
7 CURRENTLY SEE THEM AND BRIEF EACH BOARD OFFICE. AND IT SHOULD
8 BE THE C.E.O. HIMSELF WITH ALL FIVE OF US INDIVIDUALLY, TO GET
9 THIS CLARIFIED. I THINK THAT WOULD HELP US. WITH THE RED TEAM
10 IDEA THAT'S BEING SUGGESTED, IT WOULD HELP US WITH OUR
11 APPROACH IN TERMS OF THE INFORMATION TO THE LEGISLATIVE TEAMS
12 AT THE FEDERAL AND STATE LEVELS. IT SEEMS TO ME THAT THAT IS
13 CRITICALLY IMPORTANT AND IT CAPTURES THE THRUST OF THE
14 QUESTIONS THAT YOU ARE POSING, AS WELL, MADAM CHAIR. THEREFORE
15 THE MOTION.

16

17 **SUP. MOLINA, CHAIR:** ALL RIGHT. SO HOW WOULD YOU RECOMMEND WE
18 APPROACH THIS? I MEAN WE COULD GET A BRIEFING IN AS QUICKLY AS
19 -- I DON'T KNOW THAT YOU HAVE IN PLACE ALL THE SOLUTIONS. I
20 KNOW IN YOUR BUDGET YOU PUT DOWN VARIOUS SCENARIOS THAT WE
21 WOULD UTILIZE THAT ARE IN THE BUDGET. BUT IT'S ASSUMING A LOT
22 OF REVENUE OPTIONS. IT DOESN'T CLOSE OR ELIMINATE SERVICES TO
23 THAT EXTENT. SO I THINK THAT'S THE OTHER SCENARIO THAT YOU
24 MIGHT WANT TO PUT ON THE TABLE IN ORDER TO BRING SOME REALITY
25 TO SOME OF THE FOLKS THAT ARE MAKING DECISIONS TODAY. HOW



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1 SHOULD WE PROCEED? SUPERVISOR RIDLEY-THOMAS IS MAKING A
2 RECOMMENDATION.

3

4 **C.E.O. FUJIOKA:** THERE'S SEVERAL QUESTIONS ON THE FLOOR RIGHT
5 NOW. WE HAVE STAFF CLOSELY FOLLOWING THE PROVIDER FEE IN THE
6 F.M.A.P. I THINK WHAT WE HAVEN'T DONE IS WHAT WE SHOULD DO
7 IMMEDIATELY IS COME IN AS SUPERVISOR RIDLEY-THOMAS MENTIONED,
8 COME IN AND BRIEF YOU TO TELL YOU EXACTLY WHERE WE'RE AT AND
9 WHAT WE'RE DOING WITH F.M.A.P., WHAT'S HAPPENING WITH THE
10 PROVIDER FEE. I GAVE A BRIEF OVERVIEW OF WHAT'S HAPPENING FROM
11 THE CALIFORNIA PUBLIC HOSPITALS AND SOME PRIVATE ENTITIES WHO
12 HAVE, IN FACT, HAVE A CONSULTANT WHO HAS DEVELOPED A RESPONSE
13 TO C.M.S.'S QUESTIONS AND WHAT'S HAPPENING THERE. I THINK WITH
14 RESPECT TO SUPERVISOR YAROSLAVSKY'S CONCERNS, WE CAN COME IN
15 STARTING THIS WEEK, START TALKING ABOUT THE GENERAL PLAN. THE
16 WAY WE'RE APPROACHING IT RIGHT NOW IS THERE'S A PARALLEL WITH
17 HOW WE'RE APPROACHING THE STATE BUDGET. WE SAW THE GOVERNOR'S
18 PROPOSED BUDGET. WE SUBSEQUENTLY SAW HIS MAY REVISED, WHICH
19 CHANGED FROM HIS PROPOSED BUDGET BUT IT'S STILL AT \$1.2
20 BILLION. FOLLOWING THAT, WE SAW THE SPEAKER'S BUDGET. SITTING
21 AND WATCHING THAT, BECAUSE THAT WOULD HAVE IF NOT AN EQUAL,
22 PROBABLY EVEN MORE SEVERE IMPACT TO US SHOULD THE MAY REVISED
23 GO FORWARD OR EVEN ELEMENTS OF THE SPEAKER'S BUDGET GOES
24 FORWARD, ALTHOUGH THE SPEAKER'S BUDGET IS MUCH BETTER TO US
25 THAN THE MAY REVISED. TO DEVELOP AND TO START STATING WHAT



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1 WE'RE GOING TO CLOSE, WHO'S GOING TO BE IMPACTED, HOW MANY
2 EMPLOYEES WILL BE IMPACTED COULD CREATE A LOT OF ANGUISH AND A
3 LOT OF CONSTERNATION, A LOT OF JUST FLAT OUT FEAR AMONGST OUR
4 EMPLOYEES AND MOST IMPORTANTLY INDIVIDUALS RECEIVING THE
5 SERVICES THAT THE COUNTY OFFERS. BUT, YET, SUPERVISOR
6 YAROSLAVSKY IS RIGHT. WE NEED TO COME INTO YOUR OFFICES AND
7 TALK TO YOU AND SAY WITH RESPECT TO HEALTH, HERE'S WHAT WE
8 WOULD DO FOR SOME OF THESE PROGRAMS, SOME OF THESE SERVICES.
9 BUT PUBLICIZING SOMETHING RIGHT NOW AT THIS JUNCTURE, I
10 PERSONALLY THINK IS EARLY.

11

12 **SUP. MOLINA, CHAIR:** IS EARLY. ALL RIGHT. WELL, WE HAVE SOME
13 OPTIONS HERE. I AGREE. I AM NOT INTERESTED IN TRYING TO CREATE
14 ANY KIND OF SCARE TACTICS OUT THERE FOR OUR EMPLOYEES OR FOR
15 ANYONE, BUT I DO THINK THERE'S SOME LEGITIMACY TO SAY WHEN YOU
16 HAVE \$100 MILLION IMPACT OR DEFICIT IN THE HEALTHCARE BUDGET
17 OR 170 MILLION, HERE'S WHAT IT MEANS. SO IS THERE SOME MIDDLE
18 GROUND TO THAT? I MEAN WITH THE IDEA THAT IT'S -- I DON'T
19 THINK WE COULD CLOSE IT OFF COMPLETELY THAT WE'RE JUST GOING
20 TO WORK WITH BLINDERS AND SAY -- AND TOSS UP IN THE AIR AND
21 HOPE THAT IN SEPTEMBER OR WHEN WE EVER RESOLVE THIS THAT WE
22 CAN DO THIS. SO I DON'T WANT TO CREATE ANY FEAR. BUT AT THE
23 SAME TIME THERE SHOULD BE SOME KIND OF OPTION.

24



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1 **SUP. YAROSLAVSKY:** I HAVE FEAR. THAT'S THE WHOLE REASON I
2 RAISED THIS ISSUE, IS I'VE HAD FEAR FOR SEVERAL

3

4 **SUP. MOLINA, CHAIR:** ALL RIGHT, WELL THEN LET'S DISCUSS THIS.

5

6 **SUP. YAROSLAVSKY:** AND I DON'T WANT TO BEAT UP ON ANYBODY, BUT
7 I THINK IT'S PATENTLY OBVIOUS THAT THE PEOPLE WHO HAVE BEEN
8 TELLING US THAT THE HOSPITAL PROVIDER FEE WAS GOING SWIMMINGLY
9 WERE WRONG.

10

11 **SUP. MOLINA, CHAIR:** WHICH WAS MOST OF OUR SENATE AND
12 CONGRESSIONAL MEMBERS.

13

14 **SUP. YAROSLAVSKY:** NO, THAT WAS ON THE F.M.A.P.

15

16 **SUP. MOLINA, CHAIR:** OH, THAT'S TRUE.

17

18 **SUP. YAROSLAVSKY:** BUT ON THE HOSPITAL FEE IT WAS MOSTLY THE
19 HOSPITAL ASSOCIATION THAT MR. FUJIOKA CITED A MINUTE AGO AND
20 SOME INDIVIDUAL MEMBERS WITH INFLUENCE IN THAT ASSOCIATION.
21 AND THEY WERE DEAD WRONG. AND THEY ARE THE SAME PEOPLE WHO ARE
22 TELLING US NOW WE'RE GOING TO WORK THIS OUT BECAUSE THEY
23 MISUNDERSTOOD WHAT WE SUBMITTED. NOW WE WERE IN WASHINGTON A
24 LITTLE OVER A MONTH AGO. I KNOW WHAT I HEARD FROM VARIOUS
25 PEOPLE, INCLUDING THE C.M.S. DIRECTOR, THAT IT WASN'T A DONE



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1 DEAL. THEY HAVEN'T DISAPPROVED IT. BUT WE'RE NOT LOOKING FOR
2 THEM TO DISAPPROVE IT, WE'RE LOOKING TO APPROVE IT. THEY HAVE
3 NOT APPROVED IT. AND THE SAME PEOPLE WHO TOLD US THIS WAS A
4 SLAM DUNK A MONTH OR TWO OR THREE OR FOUR AGO ARE THE SAME
5 PEOPLE WHO ARE TELLING US THE FEDS, WHO ARE THE DECISION
6 MAKER, MISUNDERSTOOD WHAT WE SAID. THIS IS LIKE KOBE BRYANT
7 ARGUING A FOUL TO THE REF. HE'S GOING TO LOSE AT THE END. AND
8 I WILL CONFESS I AM TYPICALLY PESSIMISTIC. THAT WAY WHEN THE
9 BOOM IS LOWERED, I DON'T HAVE TO BE TOO DISAPPOINTED. AND IF
10 THINGS, IF I'M WRONG, I CAN BE HAPPY ABOUT BEING WRONG. AND
11 WE'VE ALL BEEN AROUND THIS TRACK BEFORE. SO WHEN YOU START
12 ADDING UP THESE PLACEHOLDERS, AND BY THE WAY, I DON'T RECALL
13 EVER HAVING THIS MANY PLACEHOLDERS IN A BUDGET BEFORE IN THE
14 TIME THAT I'VE BEEN HERE. NOW, I WILL SAY WE'VE NEVER HAD A
15 SITUATION LIKE WE'VE HAD IN THIS YEAR AND THAT WE'RE GOING TO
16 HAVE NEXT YEAR. SO I'M NOT KNOCKING THE PLACEHOLDER CONCEPT.
17 BUT YOU USE PLACEHOLDERS, YOU'VE GOT TO BE REAL RIGOROUS AND
18 CAREFUL ABOUT HOW REALISTIC THEY ARE. AND I WAS INTERESTED IN
19 WHAT YOU SAID, SHEILA, THAT THE WAY THE PLACEHOLDER IN THE
20 HEALTH DEPARTMENT BUDGET IS PLACED, IS THAT -- CORRECT ME IF
21 I'M SAYING THIS WRONG -- IT'S AN EITHER/OR SITUATION. EITHER
22 WE'RE GOING TO GET THE HOSPITAL PROVIDER FEE AND THE OTHER
23 STUFF OR THERE WILL BE CUTS. CURTAILMENTS?

24

25 **SHEILA SHIMA:** CORRECT.



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1

2 **SUP. YAROSLAVSKY:** BUDGETARY CURTAILMENTS.

3

4 **SHEILA SHIMA:** CORRECT. BECAUSE IN ORDER TO -- AND AGAIN, THERE
5 ARE TWO SPECIFIC COMPONENTS. ONE IS A CUT IN APPROPRIATION.
6 AND UNLESS THERE IS SOME SOLUTION, THE DEPARTMENT WILL HAVE TO
7 ACTUALLY LOOK AT CURTAILMENTS.

8

9 **SUP. YAROSLAVSKY:** OKAY, SO YOU HAVEN'T SPECIFIED IN THE BUDGET
10 WHAT THOSE CURTAILMENTS WOULD BE.

11

12 **SHEILA SHIMA:** CORRECT.

13

14 **SUP. YAROSLAVSKY:** BUT IN THE SAME WAY THAT THE REVENUE SIDE IS
15 A PLACEHOLDER, THE CUTS ARE A PLACEHOLDER.

16

17 **SHEILA SHIMA:** CORRECT.

18

19 **SUP. YAROSLAVSKY:** SO IT'S GOING TO BE ONE OR THE OTHER BUT YOU
20 HAVEN'T SPECIFIED THEM. WELL I THINK -- I DON'T THINK IT'S A
21 SCARE TACTIC AT THIS POINT TO RAISE THIS ISSUE. AND I'M NOT A
22 FAN OF SCARE TACTICS. YEAH. I MEAN WE'RE RIGHT ON THE CUSP, AT
23 LEAST AS IT RELATES TO THE PROVIDER FEE. IN FACT THE PROVIDER
24 FEE IS ASSUMING MONEY THAT IS RETROACTIVE. SO WE'RE ALREADY
25 PAST THAT POINT. WE TOOK A GAMBLE THAT WE WERE GOING TO GET



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1 THE PROVIDER FEE AND THAT IT WOULD BE APPLIED RETROACTIVELY.
2 NOW WE HAVE NO PROVIDER FEE AS WE SIT HERE IN THE SECOND WEEK,
3 BEGINNING OF THE SECOND WEEK OF JUNE. I THINK OUR EMPLOYEES
4 OUGHT TO KNOW. THEY SHOULDN'T BE THE LAST TO KNOW. THE BOARD
5 SHOULDN'T BE THE LAST TO KNOW. AND IT'S INTERESTING BECAUSE IN
6 THIS WHOLE F.M.A.P. DEBACLE LAST WEEK OR THE WEEK BEFORE, WEEK
7 BEFORE LAST, ONE OF THE THINGS THAT WAS COMMUNICATED TO US WAS
8 THAT THE CONGRESS WAS -- DUMPED THE F.M.A.P. OUT OF THE
9 EXTENDER BILL BECAUSE GOVERNORS AND OTHER STAKEHOLDERS WERE
10 NOT COMMUNICATING THE IMPORTANCE OF THIS TO THEM, WHICH I
11 THINK IS A POOR EXCUSE FOR WHAT THEY DID. BUT THAT'S WHAT
12 THEY'RE SAYING. AND I DON'T THINK WE WANT TO BE IN THE
13 SITUATION THREE, FOUR, FIVE, SIX WEEKS FROM NOW OF HAVING OUR
14 CONGRESS PEOPLE SAY: WHY DIDN'T YOU TELL US IT WAS GOING TO
15 MEAN CLOSING FIVE CLINICS OR 50 OR 100 BEDS? WHY DIDN'T YOU
16 TELL US? I DON'T WANT TO BE IN THAT POSITION. AND I THINK IT
17 HELPS OUR CAUSE TO BE TRANSPARENT ABOUT IT. AND I DON'T THINK
18 AT THIS POINT IT'S A SCARE TACTIC, BECAUSE WE'RE THERE. AND
19 I'M REALLY NERVOUS THAT STARTING ON JULY 1 WE'RE GOING TO
20 APPROVE A BUDGET TODAY THAT TAKES EFFECT ON JULY 1 THAT
21 VALIDATES THE BUDGET THAT LARGELY THE C.E.O., LARGELY
22 VALIDATES THE C.E.O.'S BUDGET, AND ON JULY 1 WE'RE GOING TO BE
23 INCURRING \$2 OF DEBT FOR EVERY DOLLAR OF UNEXPECTED BAD NEWS.
24 I'VE BEEN NERVOUS ABOUT THIS FOR QUITE A WHILE. I WAS NERVOUS
25 ABOUT THE PLACEHOLDER THING, BUT I DON'T THINK YOU HAD MUCH OF



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1 A CHOICE. AND THERE WERE REASONABLE -- AT LEAST ON THE
2 F.M.A.P. AND THE HOSPITAL FEE, THEY WERE REASONABLE
3 PLACEHOLDERS. BUT IT'S BECOMING LESS REASONABLE NOW. AND AT
4 SOME POINT YOU'VE GOT TO -- WE'VE GOT TO COLLECTIVELY GET OUR
5 HEADS OUT OF THE SAND AND SMELL THE COFFEE. BECAUSE IT'S NOT
6 COMING OUR WAY AT THIS POINT. IF WE'RE WRONG, IF I'M WRONG
7 ABOUT THAT, GREAT. BUT I DON'T WANT TO BE RIGHT ABOUT IT AND
8 STILL NOT BE IN JULY AND AUGUST HAVING CONVERSATIONS. THE LAST
9 THING I WANT TO SAY IS I DON'T LIKE THE IDEA OF HAVING
10 INDIVIDUAL CONVERSATIONS ON THIS SUBJECT WITH EACH SUPERVISOR
11 IN THEIR OFFICE. I THINK THE WAY TO DO THIS IS YOU GUYS OUGHT
12 TO DEVELOP A PLAN. I'M NOT PERSUADED YOU DEVELOPED SUCH A PLAN
13 YET. I THINK YOU OUGHT TO DEVELOP A PLAN EVEN IF IT'S A PLAN
14 OF OPTIONS THAT WOULD BE PRESENTED TO THE BOARD IN PUBLIC, IN
15 PUBLIC SO THAT EVERYBODY CAN HEAR THE SAME THING AT THE SAME
16 TIME. AND IT CAN'T BE MISINTERPRETED WHAT I SAID TO YOU IN ONE
17 MEETING AND WHAT YOU SAID IN ANOTHER MEETING. WE OUGHT TO LAY
18 -- THIS IS THE WAY OUR BUY OUGHT TO BE TRANSACTED. -- OUR
19 BUSINESS OUGHT TO BE TRANSACTED. SO I THINK IF YOU HAVEN'T
20 STARTED DOWN THAT PATH, I THINK YOU SHOULD START DOWN THAT
21 PATH. THE OTHER COMMENTS THAT HAVE BEEN MADE ARE CONSISTENT
22 WITH THAT. I HAVE NO PROBLEM WITH THAT. BUT I THINK AT THE END
23 OF THE DAY, YOU NEED TO GET YOUR PEOPLE WITH AN OPTIONS PAPER
24 TO US AS SOON AS POSSIBLE, NOT JULY. AND IF YOU CAN'T WAIT
25 UNTIL ALL FIVE OF US ARE HERE, THEN WE'RE NOT GOING TO MAKE A



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1 DECISION ON IT THE FIRST DAY YOU DROP IT ON OUR DESK, BUT AT
2 LEAST LET THE DISCUSSION START AND LET'S HAVE SOME GIVE AND
3 TAKE COLLECTIVELY ABOUT IT. THAT'S ALL I HAVE.

4

5 **SUP. RIDLEY-THOMAS:** MADAM CHAIR, LET ME JUST OFFER THIS
6 INSIGHT. IT'S NOT A QUESTION OF PREFERENCE OR DESIRES AS TO
7 WHETHER THE MATTER WILL BE DISCUSSED IN OPEN SESSION. I ASSUME
8 THAT THAT WILL BE THE CASE. THE THRUST OF THE MOTION OR THE
9 RECOMMENDATION OR SUGGESTION, SHOULD THE CHAIR ELECT TO TAKE
10 IT UP AS A MOTION, IS TO BRING EACH BOARD MEMBER UP TO SPEED
11 SO THAT EACH OF THE QUESTIONS CAN BE ADEQUATELY ANSWERED BY
12 THE C.E.O. HIMSELF RATHER THAN CLAIMS THAT "I DON'T KNOW
13 WHAT'S GOING ON." THAT, TO MY WAY OF THINKING, IS NOT GOOD. IT
14 IS BAD FORM. BUT IT IS NOT ONE WAY OR ANOTHER. MY EXPECTATION
15 IS THAT IT WOULD BE IN AN OPEN SESSION. IT CAN BE OTHERWISE.
16 BUT IN ORDER TO CLOSE THE GAP, AS I SAID BEFORE, BETWEEN THE
17 LACK OF INFORMATION THAT WE MAY HAVE TODAY AND THE INFORMATION
18 THAT WE DESIRE TO HAVE, IT WOULD SEEM TO ME THAT IT WOULD BE A
19 USEFUL PROCESS FOR EACH BOARD OFFICE TO BE INFORMED AND
20 CAPTURE THE BEST OF THE DISCUSSION THAT WE HAVE ENTERTAINED
21 THIS MORNING, INCLUDING, AS I SAID EARLIER, THE CONCERNS
22 RAISED AROUND THE IDEA OF A RED TEAM, THE CONCERNS RAISED
23 ABOUT ISSUES WITH THE LEGISLATIVE WORK THAT STILL NEEDS TO BE
24 DONE, THE MESSAGING THAT NEEDS TO GO FORWARD. IT WOULD SEEM TO
25 ME THAT THERE WOULD BE A MUCH BETTER QUALITY DISCUSSION WITH



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1 PEOPLE GENERALLY BEING BETTER INFORMED AND GIVEN QUALITY INPUT
2 RATHER THAN A DEBATE OR DISCUSSION THAT IS SPECULATIVE IN
3 NATURE AND CAUSING, AT SOME LEVEL, RESERVATION AS TO WHAT
4 INFORMATION SHOULD OR SHOULD NOT BE IMPARTED. I THINK WE OUGHT
5 TO GET OVER THAT HUMP SOONER RATHER THAN LATER.

6

7 **SUP. ANTONOVICH:** MADAM CHAIR?

8

9 **SUP. MOLINA, CHAIR:** YES, SIR.

10

11 **SUP. ANTONOVICH:** IN MAY, I HAD DONE THE MOTION REQUESTING
12 ANALYSIS OF THE IMPACT THE F.M.A.P. WOULD BE HAVING. WHEN WE
13 WERE AWAITING THAT REPORT, SOME OF THIS INFORMATION OUGHT TO
14 BE INCLUDED IN THAT REPORT. AND WE NEED TO ALSO LOOK AT OUR
15 BUDGET AS TO WHAT SERVICES WE CAN PROVIDE. AND THOSE OPTIONAL
16 SERVICES THAT WE CAN'T AFFORD NEED TO BE ELIMINATED. AND
17 THAT'S THE DISCIPLINE WE NEED FROM YOU IN ORDER TO HAVE A
18 BALANCED BUDGET PASSED BY THIS BODY.

19

20 **C.E.O. FUJIOKA:** I HAD MENTIONED EARLIER I THINK BEFORE YOU
21 CAME IN THAT WE'RE WORKING ON THAT REPORT. AND IT IS OUR
22 INTENT TO REPORT OUT -- WELL INITIALLY IT WAS OUR INTENT TO
23 REPORT OUT IN MID-JUNE, BUT WE WANTED TO WAIT UNTIL THE FIRST
24 OF JULY UNTIL THE ENTIRE BOARD IS IN SESSION. WE CAN STILL --
25 I THINK WE SHOULD STILL SHOOT AT LEAST TO GET THE REPORT OUT



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1 BY THE MIDDLE PART OF JUNE, AND THEN WE CAN HAVE THE
2 DISCUSSION WHEN EVERYONE'S HERE, BUT WE'LL GET INFORMATION IN
3 YOUR HANDS. AND WHAT SUPERVISOR YAROSLAVSKY MENTIONED THAT
4 HAVING THOSE IDEAS WILL GET THAT IN YOUR HANDS BEFORE THAT.
5 AND THEN WE COULD HAVE THE PUBLIC DISCUSSION WHEN THE WHOLE
6 BOARD IS HERE. IS THAT SUFFICIENT?

7

8 **SUP. MOLINA, CHAIR:** DOES THAT MAKE SENSE? ALL RIGHT. SO THEN
9 IT'S A COMBINATION OF DOING THIS THING. SO WE WOULD STILL HAVE
10 AN OPPORTUNITY TO GET THESE BRIEFINGS FOR EACH OF THE BOARD
11 OFFICES, WHICH IS A COMBINATION OF LEGISLATIVE PROPOSED
12 BRIEFINGS BUT POTENTIALS OF WHAT YOU ARE LOOKING AT. AND THEN
13 A SERIES OF OPTIONS, RIGHT? IS THAT CORRECT?

14

15 **C.E.O. FUJIOKA:** THAT'S CORRECT.

16

17 **SUP. MOLINA, CHAIR:** OF WHAT WOULD BE PROVIDED IN EACH OF THESE
18 AREAS AND THEN SCHEDULE IT FOR A DISCUSSION ON, WHAT? FIRST
19 WEEK IN JULY?

20

21 **C.E.O. FUJIOKA:** THE FIRST WEEK WE'VE --

22

23 **SUP. MOLINA, CHAIR:** IS THAT WHEN WE HAVE ALL MEMBERS PRESENT?

24

25 **CLERK SACHI HAMAI:** THAT WOULD BE THE FIRST WEEK OF JULY.



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1

2 **SUP. MOLINA, CHAIR:** THAT WE HAVE ALL MEMBERS PRESENT.

3

4 **CLERK SACHI HAMAI:** YES.

5

6 **SUP. MOLINA, CHAIR:** AND WE WOULD SCHEDULE A DISCUSSION AT THAT
7 POINT IN TIME. ALL RIGHT. SO I THINK SACHI HAS MOST OF THAT
8 DOWN. THE ONLY PART THAT IS NOT IN THERE AS YET IS THE RED
9 TEAM.

10

11 **SUP. KNABE:** RED TEAM. YOU COULD PROBABLY REPORT BACK TO THAT
12 AT OUR WEDNESDAY BOARD MEETING.

13

14 **C.E.O. FUJIOKA:** ABSOLUTELY. I MENTIONED THAT WE HAVE THAT
15 FOCUSED EFFORT. I THINK YOUR IDEA IS TO RATCHET IT UP A COUPLE
16 NOTCHES. WE'LL PUT MORE PEOPLE ON IT.

17

18 **SUP. KNABE:** COME BACK A DAY AFTER TOMORROW AT OUR REGULAR
19 MEETING AND GIVE US THE LIST OF WHO'S INVOLVED.

20

21 **SUP. ANTONOVICH:** AND THOSE OPTIONS INCLUDE REDUCING SERVICES
22 THAT AREN'T BEING COMPENSATED FOR.

23

24 **C.E.O. FUJIOKA:** YES.

25



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1 **SUP. ANTONOVICH:** YES?

2

3 **C.E.O. FUJIOKA:** YES.

4

5 **SUP. MOLINA, CHAIR:** ALL RIGHT. SO IS THERE A CLEAR
6 UNDERSTANDING? DO WE NEED SACHI TO READ THAT BACK?

7

8 **SUP. YAROSLAVSKY:** CLEAR AS MUD.

9

10 **SUP. MOLINA, CHAIR:** CLEAR AS MUD? BUT SHE HAS IT DOWN.

11

12 **SUP. ANTONOVICH:** SO IS SACHI GOING TO READ THE MOTION?

13

14 **SUP. MOLINA, CHAIR:** GO AHEAD. SHE DOES HAVE IT.

15

16 **SUP. ANTONOVICH:** THAT'S WHY SACHI IS GOING TO GET GRAY HAIR.

17 [LAUGHTER.]

18

19 **C.E.O. FUJIOKA:** THAT'S WHY I HAVE GRAY HAIR.

20

21 **CLERK SACHI HAMAI:** ALL RIGHT. "DIRECT THE CHIEF EXECUTIVE
22 OFFICER TO IMMEDIATELY BRIEF EACH BOARD OFFICE ON THE STATUS
23 OF THE HEALTH BUDGET AND HOW THE COUNTY WILL ADDRESS ANY
24 DEFICITS SHOULD A PORTION OR ALL OF THE FEDERAL FUNDING NOT
25 COME THROUGH AND RETURN TO THE BOARD WITH A PLAN -- RETURN TO



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1 THE BOARD TO PRESENT A PLAN OF OPTIONS. ALSO CREATE A RED TEAM
2 TO FOLLOW UP WITH THE PROVIDER SOURCES UNTIL THE COUNTY
3 RECEIVES A DEFINITIVE RESPONSE ON THE HEALTH FUNDING ISSUES."

4

5 **SUP. MOLINA, CHAIR:** IS THAT ACCEPTABLE? ALL RIGHT. IT'S BEEN
6 MOVED AND SECONDED.

7

8 **SUP. ANTONOVICH:** AND THEN THE POINT I MENTIONED AND BILL SAID
9 YES, THOSE SERVICES THAT AREN'T MANDATED, AREN'T COMPENSATED
10 FOR.

11

12 **CLERK SACHI HAMAI:** THAT HE WILL FOLLOW-UP ON.

13

14 **SUP. MOLINA, CHAIR:** YOU WANT HIM TO CLARIFY THAT ARE NOT
15 MANDATED? DID YOU CLARIFY THAT? THAT'S A DIFFERENT ISSUE.

16

17 **SUP. ANTONOVICH:** THOSE FORCES THAT ARE NOT COVERED.

18

19 **SUP. MOLINA, CHAIR:** WELL, THAT'S DIFFERENT. MANDATED IS
20 DIFFERENT THAN. SO THAT YOU WANT TO MAKE CLEAR WHAT YOU'RE
21 TRYING DO.

22

23 **SUP. ANTONOVICH:** WELL, THOSE THAT WE'RE NOT BEING COMPENSATED
24 FOR.

25



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1 **SUP. MOLINA, CHAIR:** OKAY THAT'S WHAT YOU WERE TRYING TO GET
2 AT.

3

4 **SUP. ANTONOVICH:** RIGHT, RIGHT.

5

6 **SUP. MOLINA, CHAIR:** THOSE THAT ARE NOT COMPENSATED BUT
7 MANDATED.

8

9 **SUP. KNABE:** (OFF MIC.)

10

11 **SUP. MOLINA, CHAIR:** WELL, I THINK THAT'S WHAT YOU'RE TRYING TO
12 GET AT. I THINK THAT'S WHAT YOU'RE TRYING TO GET AT, RIGHT?

13

14 **SUP. ANTONOVICH:** RIGHT.

15

16 **SUP. MOLINA, CHAIR:** UNFORTUNATELY WE'RE MANDATED BUT
17 UNFORTUNATELY WE DON'T GET THE COMPENSATION FOR IT.

18

19 **SUP. ANTONOVICH:** RIGHT, RIGHT.

20

21 **SUP. MOLINA, CHAIR:** OKAY. THAT'S WHAT I THINK HE'S TRYING TO
22 GET AT.

23

24 **CLERK SACHI HAMAI:** AND HAVE THE C.E.O. REPORT BACK ON THAT.

25



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1 **SUP. MOLINA, CHAIR:** RIGHT.

2

3 **CLERK SACHI HAMAI:** GOT IT.

4

5 **SUP. MOLINA, CHAIR:** OKAY. SO WITHOUT OBJECTION, THAT IS
6 ORDERED. OKAY, SO LET'S GO ON TO ITEM NO. 3.

7

8 **C.E.O. FUJIOKA:** ITEM NO. 3 IS A REPORT--

9

10 **SUP. YAROSLAVSKY:** BEFORE YOU GO ON THERE, CAN I JUST ASK A
11 POINT OF PERSONAL PRIVILEGE?

12

13 **SUP. MOLINA, CHAIR:** SURE.

14

15 **SUP. YAROSLAVSKY:** I KNOW WE DON'T TYPICALLY DO ADJOURNING
16 MOTIONS AT A SPECIAL MEETING LIKE THIS BUT I WOULD LIKE TO ASK
17 THAT THE BOARD ADJOURN IN MEMORY OF JOHN WOODEN WHO PASSED
18 AWAY ON FRIDAY NIGHT. AND I WON'T TAKE A LOT OF TIME, BUT I
19 THINK EVERYTHING THAT NEEDS TO BE SAID ABOUT COACH WOODEN HAS
20 BEEN SAID. I JUST WILL SAY ON A PERSONAL LEVEL, I HAD THE
21 GREAT PRIVILEGE AND ONE OF THE GREAT BLESSINGS OF MY LIFE WAS
22 GET TO KNOW HIM AND SPEND SOME QUALITY TIME WITH HIM IN THE
23 LAST 20 YEARS. AND EVERYTHING THAT'S BEEN SAID ABOUT HIM DOES
24 NOT BEGIN TO DESCRIBE THE IMPACT HE HAD ON INDIVIDUALS AND ON
25 THE COMMUNITY AT LARGE. AND I THINK ONE OF THE GREAT TRIBUTES



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1 TO HIM IS THAT SO MUCH OF THE EULOGIZING OF JOHN WOODEN HAS
2 NOT INVOLVED HIS ATHLETIC ACCOMPLISHMENTS. IT INVOLVED
3 CONTRIBUTIONS HE MADE, HIS THOUGHT PROCESS, HIS WORLDVIEW, HIS
4 PHILOSOPHY OF LIFE. AND THE THING THAT I POINTED OUT TO A
5 NUMBER OF MY FRIENDS IS THAT THE AMOUNT OF TIME HE HAS BEEN
6 RETIRED SINCE HE LEFT U.C.L.A. BASKETBALL IS FAR GREATER THAN
7 THE AMOUNT OF TIME HE SPENT AT U.C.L.A. COACHING BASKETBALL.
8 AND THE IMPACT HE MADE IN THE LAST 35 YEARS OF HIS LIFE SINCE
9 HE RETIRED MAY BE AS GREAT IF NOT GREATER THAN THE IMPACT HE
10 MADE IN HIS PROFESSION DURING THE 28 YEARS HE COACHED AT
11 U.C.L.A. SO IT'S A GREAT LOSS TO OUR COMMUNITY, TO U.C.L.A.,
12 TO LOS ANGELES, TO THE NATION AND TO ME PERSONALLY. THANK YOU,
13 MADAM CHAIR. ALL MEMBERS ON THAT.

14

15 **SUP. MOLINA, CHAIR:** ANYONE ELSE ON THAT?

16

17 **SUP. RIDLEY-THOMAS:** MADAM CHAIR, I THINK IT'S WORTH MENTIONING
18 THAT EVEN FOR THOSE WHO MIGHT NOT HAVE HAD A LONG HISTORY AND
19 DEPTH OF RELATIONSHIP WITH JOHN WOODEN, HE NEVER SEEMED TO
20 HAVE AN INABILITY TO CONNECT WITH INDIVIDUALS IN AN
21 AFFIRMATIVE WAY. AND I THINK THAT'S A REMARKABLE
22 CHARACTERISTIC. AND HE JUST KEPT GOING AND SOMEWHAT QUIETLY
23 DOING GOOD ON AN INDIVIDUAL BASIS, TOUCHING PEOPLE'S LIVES.
24 AND HE HAD A BROAD VIEW, BROAD ENOUGH TO EMBRACE TROJANS



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1 WITHOUT ANY TREPIDATION. AND SO WE TAKE NOTE OF THAT SPIRIT.

2 IT WOULD BE WORTH EMULATION.

3

4 **SUP. MOLINA, CHAIR:** VERY GOOD. ALL RIGHT. I THINK ALL MEMBERS
5 ON THAT ADJOURNMENT. ALL RIGHT. WITH THAT, LET'S MOVE ON TO
6 ITEM NO. 3.

7

8 **C.E.O. FUJIOKA:** ITEM NO. 3, PLEASE, IS A REPORT THAT SPEAKS TO
9 THE ISSUES RAISED AT OUR RECENT BUDGET PUBLIC HEARINGS. WE
10 GAVE YOU ATTACHED TO OUR COVER MEMO LISTS EVERY SINGLE ISSUE
11 IN NOT ONLY THE TOPIC BUT SOMEWHAT OF OUR RESPONSES. I'M GOING
12 TO ASK THAT WE JUST RECEIVE AND FILE THIS.

13

14 **SUP. MOLINA, CHAIR:** ALL RIGHT. IS THERE A MOTION TO RECEIVE
15 AND FILE?

16

17 **SUP. ANTONOVICH:** MADAM CHAIR?

18

19 **SUP. MOLINA, CHAIR:** YES SIR. MR. FUJIOKA, WE HAD THE CHAIRMAN
20 OF THE LIBRARY COMMISSION TESTIFY AT OUR MAY 22 PUBLIC HEARING
21 RELATIVE TO THE FISCAL SHORTFALLS. AND PART OF THE PROBLEM IS
22 DUE TO THE FACT THAT SOME OF OUR COMMUNITIES, THE COUNTY
23 LIBRARY DISTRICT PAYS A DEDICATED LIBRARY TAX WHERE OTHERS
24 DON'T. SO COULD WE HAVE THE LIBRARY COMMISSION WORK WITH OUR
25 PUBLIC LIBRARY, THE C.E.O. AND OTHER STAKEHOLDERS, TO REVIEW



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1 THE COUNTY LIBRARY SYSTEM AND REPORT BACK DURING FINAL BOARD
2 BOOK CLOSING IN SEPTEMBER ON HOW WE COULD CHANGE THE FINANCING
3 STRUCTURE TO ADD CHRONIC SHORTFALLS THAT DO OCCUR IN LIBRARY
4 FUNDING EACH YEAR?

5

6 **C.E.O. FUJIOKA:** YES.

7

8 **SUP. MOLINA, CHAIR:** ALL RIGHT. IS THERE ANY PROBLEM WITH THAT?
9 OKAY. SECONDED. ALL RIGHT. SO ORDERED ON THAT ITEM. AND THEN
10 IT'S BEEN MOVED BY SUPERVISOR KNABE. SECONDED BY MYSELF TO
11 RECEIVE AND FILE ALL OF THOSE ISSUES THAT WERE RAISED IN OUR
12 PUBLIC BUDGET HEARINGS. OKAY. ITEM NO. 4.

13

14 **C.E.O. FUJIOKA:** ITEM NO. 4 IS THE RECOMMENDED ADJUSTMENTS TO
15 OUR 2010/2011 PROPOSED COUNTY BUDGET. THIS WOULD REPRESENT THE
16 FINAL BUDGET FOR THE COUNTY FOR NEXT YEAR. THERE ARE SEVERAL
17 RECOMMENDATIONS HERE. I ASK THAT YOU ADOPT THE ATTACHED
18 CHANGES REFLECTED IN THIS REPORT, YOU REAFFIRM THE HARD HIRING
19 FREEZE, EXEMPTING CRITICAL HEALTH AND SAFETY POSITIONS,
20 INSTRUCT AND AUTHORIZE OUR OFFICE TO WORK WITH THE AUDITOR-
21 CONTROLLER TO FREEZE SERVICES AND SUPPLIES AND CAPITAL ASSETS
22 APPROPRIATIONS FOR NONESSENTIAL PURCHASES OF SERVICES,
23 SUPPLIES AND CAPITAL ASSETS. AND THE LAST IS TO EXECUTE A
24 FUNDING AGREEMENT IN THE AMOUNT OF \$1,550,000 FOR THE LA
25 PLAZA. THIS IS UNIQUE, BECAUSE WHEN WE FIRST -- PROVIDE SOME



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1 CLARIFICATION -- WHEN WE FIRST RECOMMENDED FUNDING FOR THIS
2 PROGRAM, WE MADE AN ERROR IN THAT WE DIDN'T ADD THE FUNDS
3 NECESSARY LIKE WE HAVE WITH ANY OTHER CULTURAL INSTITUTION
4 THAT THE COUNTY SUPPORTS THE FUNDS NECESSARY TO OPERATE THIS
5 FACILITY. AS WE GET INTO THIS REPORT, I HAVE ONE ITEM THAT'S
6 PART OF THIS. AND THIS IS ON ATTACHMENT 1, PAGE 2. ALTHOUGH
7 I'M ASKING YOU TO APPROVE THIS ITEM TODAY, I'M ASKING FOR THIS
8 ONE EXCEPTION. IT'S REFLECTED AGAIN ATTACHMENT 1, PAGE 2, ARTS
9 COMMISSION, ITEM 4. AND THE CHANGE SHOULD BE PROGRAM FUNDING
10 ADJUSTMENTS. DELETING THE ARTS COMMISSION, ITEM NO. 4 WILL
11 RESTORE THE PROPOSED BUDGET PLACE HOLDERS OF 287,000 IN
12 CURTAILMENTS AND 288,000 IN RESTORATIONS, WHICH WILL NEED TO
13 BE RESOLVED THROUGH FURTHER DISCUSSIONS WITH THE BOARD. NOW
14 GOING BACK TO THIS REPORT, SOME OF THE PROPOSED CHANGES I
15 THINK EVERYONE KNOWS THAT WHEN WE PRESENTED OUR BUDGET, THAT
16 WE HAD A PROJECTED DEFICIT OF \$510.5 MILLION WHICH WAS CLOSED
17 WITH 175.2 MILLION IN ONGOING DEPARTMENTAL REDUCTIONS, \$13
18 MILLION IN ONGOING REVENUE SOLUTIONS, \$167.2 MILLION IN ONE-
19 TIME BRIDGE FUNDING, 115 MILLION IN LABOR MANAGEMENT SAVINGS,
20 AND \$40 MILLION IN FEDERAL STIMULUS FUNDING. AND THAT IS THE
21 F.M.A.P. TODAY, WE'RE ASKING THAT WE MAKE AN ADJUSTMENT OF
22 ABOUT \$38 MILLION TO THE BUDGET BECAUSE WE HAVE SEEN, AS I
23 STATED EARLIER, A SLIGHT IMPROVEMENT IN OUR PROP 172 SALES TAX
24 OF \$25.3 MILLION AND THEN \$18.3 MILLION IN THE SOCIAL SERVICES
25 REALIGNMENT SALES TAX. WE'VE ALSO SEEN A LITTLE BIT OF MONEY,



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1 \$200,000, EMBEDDED IN EXPECTED COLLECTIONS SINCE THE PROPOSED
2 BUDGET WAS SENT TO PRINT. OF THAT \$38 MILLION, THIS REPORT
3 STATES THAT WE'RE RECOMMENDING ABOUT \$10 MILLION OF IT BE USED
4 FOR SOME ADDITIONAL CHANGES OR IMPROVEMENTS TO THIS BUDGET
5 WITH THE BALANCE GOING TO BOTH OUR RAINY DAY FUND AND OUR
6 ECONOMIC RESERVE. NOW, SINCE WE SUBMITTED THIS BUDGET -- AND
7 IT'S A LITTLE CONFUSING. I CAN GO INTO DETAIL IF YOU LIKE --
8 BUT THE ENTIRE BUDGET ITSELF HAS GONE UP \$454 MILLION, BUT ALL
9 THAT IS 118 IN THE CARRYOVER FUND BALANCE. THERE'S THE \$38
10 MILLION THAT I MENTIONED IN ADDITIONAL REVENUE. THERE'S SOME
11 REVENUE OFFSET CHANGES OF \$138 MILLION. THERE ARE SOME
12 MINISTERIAL CHANGES OF \$31.4 MILLION. AND THEN SOME CHANGES TO
13 THE SPECIAL FUNDS IN DISTRICTS. THOSE CHANGES ARE DETAILED IN
14 OUR REPORT STARTING WITH PAGE 5. UNLESS YOU WANT ME TO, I
15 COULD GO OVER EACH AND EVERY ONE, BUT THERE'S AN AWFUL LOT OF
16 LITTLE MINOR CHANGES IN HERE. THERE'S ALSO SOME CHANGES IN OUR
17 OVERALL NUMBER OF POSITIONS FOR THE BUDGET. THE VAST MAJORITY
18 HAS TO DO WITH THE CONSOLIDATION OF THE OFFICE OF PUBLIC
19 SAFETY INTO THE SHERIFF'S DEPARTMENT. THAT HAS BEEN DELAYED.
20 AND UNTIL -- BECAUSE SOME ADMINISTRATIVE STEPS THAT WE STILL
21 HAVE TO TAKE, PRINCIPALLY RELATED TO THE BACKGROUND AND THE
22 MEDICAL EXAMINATIONS, WE'VE ASKED THEM, THROUGH A SEPARATE
23 PROCESS, TO DELAY THAT THROUGH SEPTEMBER. IF YOU LIKE -- IT'S
24 YOUR CHOICE.

25



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1 **SUP. MOLINA, CHAIR:** ALL RIGHT. SUPERVISOR KNABE?

2

3 **SUP. KNABE:** WELL, UNDER THIS AGENDA ITEM, WHY DO WE CONTINUE
4 TO CARRY OVER SO MUCH TITLE 4-E AND KATIE A. FUNDING? SOME
5 PRETTY SIGNIFICANT DOLLARS.

6

7 **C.E.O. FUJIOKA:** WELL, AT THIS POINT IN TIME I THINK UNTIL WE
8 KNOW WHERE WE'RE AT WITH OUR STATE AND ALSO WITH THE BUDGET, I
9 DON'T THINK WE SHOULD MAKE ANY CHANGES UNTIL, AS I MENTIONED
10 EARLIER, UNTIL WE HIT THE SUPPLEMENTAL BUDGET. WE DO HAVE A
11 LOT OF MONEY THERE. THAT MONEY MAY BE NEEDED IF SOME OF THE
12 WORST-CASE SCENARIOS MATERIALIZE. I MENTIONED EARLIER THAT OUR
13 SUPPLEMENTAL BUDGET WOULD TAKE ON A GREATER MEANING. UNTIL WE
14 KNOW EXACTLY HOW WE CLOSE THE BOOKS, I WOULD NOT SUGGEST
15 TOUCHING ANY OF THE CARRYOVER FUNDS.

16

17 **SUP. KNABE:** WELL I'M NOT NECESSARILY SUGGESTING TOUCHING IT. I
18 JUST THOUGHT MAYBE WAS THERE ANY PLANS THAT D.C.F.S., ON SOME
19 NEW INITIATIVES OR ANYTHING THAT MIGHT IMPROVE SERVICE,
20 PARTICULARLY IN LIGHT OF THIS ONE-TIME FUNDING? I MEAN, IT'S
21 BASICALLY ONE-TIME FUNDING, SO. OR IT'S THERE JUST AS A --.

22

23 **C.E.O. FUJIOKA:** I THINK WE RE TRYING TO STRIKE A BALANCE RIGHT
24 NOW. THERE ARE SIGNIFICANT UNMET NEEDS IN EVERY SINGLE ONE OF
25 OUR DEPARTMENTS. WE COULD EASILY GO DOWN THIS LIST AND



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1 RECOMMEND USING SOME, IF NOT ALL OF IT FOR SOME OF THOSE UNMET
2 NEEDS. I'M JUST SUGGESTING THAT GIVEN THE UNCERTAINTIES, THAT
3 WE WAIT UNTIL SUPPLEMENTAL. AND THEN SHOULD THINGS
4 MATERIALIZE, SUCH AS WHAT WE'RE LOOKING AT IN HEALTH OR
5 F.M.A.P., THE IMPACT OF F.M.A.P. ON OUR OTHER GENERAL FUND
6 DEPARTMENTS, WE CAN HAVE THAT DISCUSSION. CLOSING THE BOOKS
7 THIS YEAR WITHOUT MAKING CHANGES AT THIS JUNCTURE IS, I THINK,
8 VERY IMPORTANT.

9

10 **SUP. MOLINA, CHAIR:** ALL RIGHT. SUPERVISOR ANTONOVICH?

11

12 **SUP. ANTONOVICH:** LET ME ASK, BILL, ALL REPORTS HAVE INDICATED
13 THAT THE COUNTY IS NOT GOING TO BE OPERATING THE COMMUNITY
14 HEALTH PLAN IN THE LONG TERM. AND SO IT DOESN'T MAKE SENSE
15 THAT WE'RE GOING TO CONTINUE TO MAKE INVESTMENTS THAT ARE
16 ABOVE AND BEYOND WHAT IS NECESSARY TO MEET THE NEEDS OF THE
17 CURRENT MEMBERSHIP AND TO MAINTAIN COMPLIANCE WITH ALL
18 REGULATORY REQUIREMENTS. IT'S ESPECIALLY TRUE IN LIGHT OF THE
19 MASSIVE BUDGET SHORTFALL. SO THE QUESTION IS, HOW LONG WOULD
20 IT TAKE FOR THE DEPARTMENT TO DETERMINE ALL PROJECTS PLANNED
21 AT THE DEPARTMENT FOR THE C.H.P. THAT ARE NOT NECESSARY TO
22 MEET THE NEEDS OF CURRENT MEMBERSHIP OR MAINTAIN REGULATORY
23 COMPLIANCE?

24



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **C.E.O. FUJIOKA:** WELL, I TOTALLY AGREE. I THINK, WELL, WE
2 TOTALLY AGREE. AND WE HAVE BEEN TALKING TO THE DEPARTMENT OF
3 HEALTH SERVICES ABOUT THIS, ESPECIALLY IN LIGHT OF THE RECENT
4 REPORT FROM H.M.A. IN THE PROPOSED 02 TO DEVELOP AN AGREEMENT
5 WITH L.A. CARE THAT WILL INCORPORATE THAT IMPACT OR THE
6 PROPOSAL ON HOW WE DEAL WITH C.H.P. IN OUR REPORT BACK ON
7 D.H.S.

8

9 **SUP. ANTONOVICH:** SO THEN YOU'LL BE WORKING WITH THE DIRECTOR
10 OF HEALTH AND THE STAKEHOLDERS AND MAKE THAT REPORT BACK?

11

12 **C.E.O. FUJIOKA:** YES.

13

14 **SUP. ANTONOVICH:** THAT WILL BE IN LESS THAN 30 DAYS?

15

16 **C.E.O. FUJIOKA:** WE WILL INCORPORATE THAT ON THE REPORT BACK ON
17 D.H.S. PERIOD.

18

19 **SUP. ANTONOVICH:** WITH THE PUBLIC WORKS, YOU INCLUDE
20 ELIMINATION OF NUISANCE ABATEMENT TEAMS IN CITY TERRACE,
21 FLORENCE, FIRESTONE, WILLOW BROOK AND THE ANTELOPE VALLEY. HOW
22 MANY TEAMS WOULD BE LEFT IN THESE AREAS AFTER THE ELIMINATION
23 AND WHAT EFFORTS WOULD BE MADE TO ENSURE THAT THOSE SERVICES
24 WOULD NOT BE DIMINISHED TO THE RESIDENTS IN THOSE AREAS?

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **C.E.O. FUJIOKA:** OUR REPORT DATED MAY 19 ON THIS ISSUE SPEAKS
2 TO THE FACT THAT WE RESTORED THOSE TEAMS. THERE IS A 10
3 PERCENT REDUCTION IN CODE ENFORCEMENT INSPECTION CAPACITY. BUT
4 I BELIEVE THE INTENT OF OUR DEPARTMENT OF PUBLIC WORKS' STAFF
5 IS TO MINIMIZE EVEN THAT IMPACT.

6

7 **SUP. ANTONOVICH:** AND WITH THE TREASURER TAX COLLECTOR, EVEN
8 THOUGH THE PROPOSED BUDGET HAD INCLUDED A PROPOSAL TO
9 DISCONTINUE SERVICE TO THE ANTELOPE VALLEY, THE TREASURER TAX
10 COLLECTOR HAD DEVELOPED AN ALTERNATIVE PLAN THAT WOULD STILL
11 PROVIDE SERVICE TO ELDERLY AND INFIRM TAXPAYERS WHO CANNOT
12 DRIVE DOWN BELOW TO PAY THOSE TAXES PERSONALLY. HOW WOULD
13 THOSE SERVICES STILL BE CONTINUED FOR THOSE IN THE AND THE
14 ANTELOPE VALLEY?

15

16 **C.E.O. FUJIOKA:** OUR TREASURER TAX COLLECTOR JUST ISSUED A MEMO
17 ON I BELIEVE THIS PAST WEEK, I THINK IT WAS FRIDAY, THAT
18 SPEAKS TO THE FACT THAT THEY WILL CONTINUE TO PROVIDE THAT
19 SERVICE, BUT ABSORB THE CUT WITHIN THEIR EXISTING, OR AT LEAST
20 RECOMMENDED BUDGET.

21

22 **SUP. ANTONOVICH:** OKAY.

23

24 **C.E.O. FUJIOKA:** SO THAT WILL STILL BE DONE.

25



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The Los Angeles County Board of Supervisors**

1 **SUP. ANTONOVICH:** AND THEN IN HUMAN RESOURCES, YOU'RE
2 PROJECTING INCLUDING FUNDING FOR NEW H.R. POSITIONS, 19 IN THE
3 DEPARTMENT OF HEALTH SERVICES. IN '08/'09, THE BUDGET HAD
4 INCLUDED 944,000 FOR SEVEN ADDITIONAL POSITIONS. AND THEN
5 VARIOUS NEW H.R. POSITIONS CONTINUED TO BE ADDED EVEN THOUGH
6 THROUGH OUR NEW STRATEGIC PLAN HAD CALLED FOR A CONSOLIDATION
7 AND IMPROVING THE EFFICIENCIES OF H.R. SO HAS THERE BEEN ANY
8 EFFORT TO DETERMINE WHETHER THESE NEW POSITIONS HAVE BEEN
9 ADDED OVER THE PAST TWO FISCAL YEARS OR STILL NEEDED IN LIGHT
10 OF THE IMPROVEMENTS THAT HAVE TAKEN PLACE?

11

12 **C.E.O. FUJIOKA:** WE'RE LOOKING AT THAT RIGHT NOW. BUT I THINK
13 IT'S RECOGNIZED THAT IN D.H.S., THE H.R. PROGRAM IS WOEFULLY
14 UNDERSTAFFED AND INADEQUATE AT THIS TIME. IF THERE'S ANY AREA
15 WHERE WE WOULD NEED TO INVEST SOME ADDITIONAL RESOURCES, I
16 FEEL IT'S H.R. AND D.H.S. AND IT WILL, I THINK, REAP SOME VERY
17 STRONG BENEFITS. IT'S A VERY WEAK H.R. FUNCTION.

18

19 **SUP. ANTONOVICH:** AND THEN CAN WE HAVE A REPORT BACK RELATIVE
20 TO H.R., HOW MANY OF THESE OUGHT TO BE CENTRALIZED AND HOW
21 MANY OUGHT TO BE WITHIN THE DEPARTMENTS AND REMAIN WITH THOSE
22 DEPARTMENTS? AND THAT'S AN ISSUE THAT WE'VE BEEN DISCUSSING
23 PREVIOUSLY, I KNOW, IN EXECUTIVE SESSION AND IF WE COULD HAVE
24 THAT INFORMATION.

25



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1 **C.E.O. FUJIOKA:** YES, WE WILL DO THAT.

2

3 **SUP. MOLINA, CHAIR:** VERY GOOD. ANY OTHER ITEMS UNDER ITEM 4?

4 ALL RIGHT. AND ON THAT ITEM, LET'S MOVE ON, THEN, TO -- I

5 THINK WE NEED TO ADOPT THOSE ITEMS. MOVED BY MYSELF. SECONDED

6 BY SUPERVISOR KNABE. IF THERE'S NO OBJECTION, SO ORDERED. ITEM

7 NO. 5.

8

9 **C.E.O. FUJIOKA:** COULD WE HOLD 5 UNTIL WE FINISH EVERYTHING

10 ELSE?

11

12 **SUP. MOLINA, CHAIR:** FAIR ENOUGH. WE'LL MOVE ON TO ITEM 6.

13

14 **C.E.O. FUJIOKA:** ITEM 6 DEALS WITH COUNTYWIDE CLASSIFICATIONS

15 AND ACTIONS THAT ARE CONSISTENT WITH OUR FINAL BUDGET. WE ASK

16 THAT THIS IS APPROVED BUT ALSO --

17

18 **SUP. MOLINA, CHAIR:** WE NEED TO APPROVE THIS ITEM, CORRECT?

19

20 **C.E.O. FUJIOKA:** YES.

21

22 **SUP. MOLINA, CHAIR:** ALL RIGHT, BECAUSE THIS IS, AGAIN, DEALING

23 WITH SALARIES AND UPDATES TO VARIOUS POSITIONS. ALL RIGHT.

24 MOVED BY SUPERVISOR --

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. KNABE:** JUST THE ONE QUESTION.

2

3 **SUP. MOLINA, CHAIR:** SURE.

4

5 **SUP. KNABE:** IS THERE ANYTHING UNUSUAL INSIDE THESE ITEMS? I
6 MEAN, IT DIDN'T APPEAR TO BE. BUT ARE THERE ANY ACTIONS THAT
7 NEED TO BE BROUGHT TO OUR ATTENTION? OR NEED TO BE POINTED OUT
8 SPECIFICALLY?

9

10 **C.E.O. FUJIOKA:** I THINK THEY'RE REAL CONSISTENT WITH WHAT WE
11 DISCUSSED OVER THE LAST FEW MONTHS. I COULDN'T SAY IF THERE'S
12 ANYTHING THAT IS EXCEPTIONAL.

13

14 **SUP. MOLINA, CHAIR:** THAT'S A VERY BROAD QUESTION. ALL RIGHT.

15

16 **SUP. KNABE:** I JUST WANTED TO ASK.

17

18 **SUP. MOLINA, CHAIR:** ALL RIGHT. VERY GOOD. ON THAT ITEM. MOVED
19 BY SUPERVISOR RIDLEY-THOMAS. SECONDED BY MYSELF. IF THERE'S NO
20 OBJECTION, SO ORDERED. ITEM NO. 7.

21

22 **C.E.O. FUJIOKA:** ITEM NO. 7 ASKS FOR YOUR APPROVAL TO ALLOW THE
23 COUNTY TO UTILIZE SHORT-TERM BOND ANTICIPATION NOTES TO
24 PROVIDE INTERIM FINANCING OF EQUIPMENT ACQUISITION FOR VARIOUS
25 COUNTY DEPARTMENTS TO ENABLE THE COUNTY TO MAXIMIZE



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1 REIMBURSEMENT FOR COSTS RELATED TO THE FINANCING OF THIS
2 EQUIPMENT. WE ASK FOR YOUR APPROVAL.

3

4 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT ITEM HAS BEEN MOVED. IS
5 THERE A SECOND? SECONDED. ANY OBJECTIONS? SO ORDERED ON ITEM
6 NO. 7. ITEM 8?

7

8 **C.E.O. FUJIOKA:** EIGHT IS A REPORT FROM OUR OFFICE --

9

10 **SUP. YAROSLAVSKY:** (OFF MIC) .

11

12 **SUP. MOLINA, CHAIR:** YES.

13

14 **SUP. YAROSLAVSKY:** I'M JUST CURIOUS, MR. FUJIOKA, YOU'VE JUST
15 RETURNED FROM THE RATING AGENCY VISITS IN NEW YORK LAST WEEK.
16 COULD YOU GIVE US A SENSE OF WHAT THEIR COMMENTS WERE TO US?

17

18 **C.E.O. FUJIOKA:** I THINK IN GENERAL, THE RATING AGENCIES HAVE
19 EXPRESSED CONCERNS NOT JUST SPECIFIC TO L.A. COUNTY BUT TO
20 MUNICIPALITIES UP AND DOWN THE STATE OF CALIFORNIA. THEY HAD
21 VERY SERIOUS CONCERNS ABOUT WHAT'S HAPPENING TO STATE LEVEL,
22 WHAT THE IMPACT WOULD BE TO US. WE MENTIONED, AS A GROUP, WE
23 MENTIONED TO THEM THE UNCERTAINTY RELATED TO THE STATE BUDGET,
24 WHETHER OR NOT WE'RE GOING TO SEE SOMETHING THAT IS IN BETWEEN
25 WHAT THE GOVERNOR IS PROPOSING VERSUS WHAT THE DEMOCRAT-



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1 CONTROLLED ASSEMBLY IS PROPOSING. THEY ALSO HAVE CONCERNS
2 REGARDING OUR CASH FLOW. OUR CASH FLOW RIGHT NOW I THINK, AS
3 WE REPORTED TO YOU, IS VERY CHALLENGED. WHAT'S PRINCIPALLY
4 DRIVING OUR CASH FLOW CHALLENGES IS THAT THE STATE IS IN
5 ARREARS ON OUR REIMBURSEMENT FOR C.B.R.C. AND OUR MEDICAL --.
6 SO THAT HAS IMPACTED OUR CASH FLOW. ALTHOUGH LAST MONTH IT
7 WENT FROM WHAT WE PROJECTED TO BE \$230 MILLION TO \$400
8 MILLION. SO THERE'S BEEN SOME SLIGHT IMPROVEMENT THERE. THEY
9 WERE ALSO CONCERNED ABOUT OUR REVENUE. WE'VE SHOWED THEM WHERE
10 OUR SALES TAX ON A MONTH-TO-MONTH BASIS HAVE ACTUALLY
11 IMPROVED. NOT APPRECIABLY, BUT WE'RE STILL SEEING THE UP TIC
12 IN THAT IMPROVEMENT. BUT WE ALSO SHARED WITH THEM WHAT'S
13 HAPPENING WITH PROPERTY TAX, ALTHOUGH OUR PROPERTY TAX HAS
14 DROPPED, IT HASN'T DROPPED AS SIGNIFICANTLY AS OTHER COUNTIES.
15 BUT IN GENERAL, I THINK THE OVERALL PRESSURE ON THE RATING
16 AGENCIES AS A GROUP, I THINK WE'VE ALL READ THAT IN THE WALL
17 STREET JOURNAL, WE SEE THAT IN OTHER PUBLICATIONS. THEY'RE
18 BEING EXTREMELY CAREFUL. WE WENT BACK FOR A RATING FOR SHORT-
19 TERM NOTES, NOT ON A LONG-TERM BASIS. WE HAD SOME -- I THINK
20 SOME POSITIVE COMMENTS. WE SHARED WITH THEM THE STRENGTH OF
21 OUR FINANCIAL POLICIES, OUR HISTORY OF COMPLYING WITH THOSE
22 POLICIES. WE TOLD THEM THAT THE BOARD HAS A COMMITMENT NOT TO
23 BACKFILL BEHIND THE STATE BECAUSE THEY SAID WHAT HAPPENS IF
24 THE STATE CUTS, FOR EXAMPLE, CALWORKS AND 410,000 PEOPLE DROP
25 OUT OF CALWORKS, WILL YOU BACKFILL THAT? MY ANSWER WAS NO, WE



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1 DID NOT BACKFILL IT LAST YEAR, IT'S NOT OUR INTENT TO BACKFILL
2 IT NEXT YEAR. BUT BECAUSE OF WHAT'S HAPPENING AT THE STATE
3 LEVEL AND WHAT'S HAPPENING -- WE FOLLOWED TWO COUNTIES. WE
4 FOLLOWED ORANGE COUNTY. WE FOLLOWED SAN BERNADINO COUNTY. AND
5 THEN THE STATE WAS IN THERE THINK THE WEEK BEFORE. THOSE ARE
6 THREE VERY DIFFICULT ENTITIES TO FOLLOW BECAUSE THEIR
7 FINANCIAL PROBLEMS ARE MUCH GREATER THAN OURS, BUT WE GET
8 THROWN INTO THE SAME BASKET. AND SO FOR THE -- I'VE BEEN BACK
9 TO NEW YORK AND SAN FRANCISCO MANY TIMES IN MY CAREER. THIS
10 WAS A VERY DIFFICULT DISCUSSION BECAUSE WE WERE THROWN INTO
11 THAT SAME BUCKET WITH THE REST OF THEM.

12

13 **SUP. YAROSLAVSKY:** OKAY, THANK YOU.

14

15 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT ITEM IS PASSED. LET'S MOVE
16 ON TO ITEM NO. 8.

17

18 **C.E.O. FUJIOKA:** IT'S A REPORT BACK FROM OUR OFFICE TO REVIEW
19 ALL VIABLE OPTIONS OF ONGOING OR ONE-TIME SAVINGS. WE PROVIDED
20 INFORMATION THAT SPEAKS TO HOW WE'RE ADDRESSING BOTH THESE
21 ISSUES, ONGOING AND ONE-TIME FUNDING. I ASK THAT YOU RECEIVE
22 AND FILE.

23

24 **SUP. MOLINA, CHAIR:** ALL RIGHT. WE DO HAVE A SPEAKER ON THAT
25 ITEM. MAY I ASK MR. TIM TYSON TO JOIN US? MR. TYSON?



**The Meeting Transcript of
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1

2 **TIM TYSON:** GOOD MORNING, MADAM CHAIR, BOARD OF SUPERVISORS. MY

3 NAME IS TIM TYSON. I'M A LOCAL RESIDENT AND BUSINESSMAN AND AN

4 EMPLOYEE OF A NATIONAL LENDER. I DO RESIDE IN MR. KNABE'S

5 DISTRICT. I'M HERE, AS WAS MENTIONED, REGARDING THE ITEM 8

6 THAT AS A RESIDENT, WHEN I SAW THE INVITATION TO REVIEW ALL

7 VIABLE OPTIONS, AS A PERSON THAT IS NOT A MEMBER OF THE

8 COUNTY, I SAW THAT TRULY MEANT ALL. SO AS A RESULT, I

9 SUBMITTED A PROPOSAL TO MY DEPUTY FIELD REPRESENTATIVE, ANDREA

10 AVALO, WHOM I APPRECIATED HER FORWARDING THE INFORMATION TO

11 OUR C.E.O.'S OFFICE, MR. FUJIOKA. PRIOR TO THAT, NOT BEING

12 AWARE OF HIS RECEIVING IT OR HIS OFFICE, I ALSO SUBMITTED THE

13 PROPOSAL THAT YOU'RE NOW RECEIVING TO HIS OFFICE. THIS IS A

14 DIFFICULT SETTING TO PRESENT SOMETHING THAT WILL IMPACT THE

15 BUDGET IN LESS THAN TWO MINUTES BUT I WILL DO MY BEST BY WAY

16 OF AN ILLUSTRATION. COLLECTIVELY IF WE COULD ELIMINATE THE

17 MONTHLY MORTGAGE PAYMENT OR RENT FOR EMPLOYEES WITHIN THE

18 COUNTY, HOW MANY WOULD VOLUNTEER TO RETIRE TOMORROW? WELL,

19 JUST TO RUN SOME QUICK NUMBERS BY, I DID MY BEST ASSESSMENT

20 THAT THERE'S APPROXIMATELY 100,000 EMPLOYEES. IF 12,000 WERE

21 ELIGIBLE, 9,600 MIGHT MEET MY CRITERIA. 3,360 EXECUTE THE

22 PROGRAM. BASED ON AN ESTIMATED SALARY OF 65,000, NOT INCLUDING

23 ANY BENEFITS, THIS WOULD AMOUNT TO IN EXCESS OF \$218 MILLION

24 BY VOLUNTARILY RETIRING. THE WAY WE WOULD CONSIDER DOING THIS

25 IS SOMETHING THAT I DO ON A MONTHLY AND DAILY BASIS IS TO



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1 INTRODUCE WHAT MANY HAVE MISUNDERSTOOD BY WAY OF THE REVERSE
2 MORTGAGE. IT'S A FEDERALLY-INSURED PROGRAM, WHICH MANY OF YOU
3 KNOW. AND WHETHER YOU ARE PRO OR AGAINST IT, THE HOME IS THE
4 MOST VALUABLE ASSET THAT MANY SENIORS, WHETHER THEY ARE BEYOND
5 THE WORKFORCE OR CONTINUE TO REMAIN IN THE WORKFORCE, HAVE IN
6 THEIR POSSESSION. AND IF WE ALLOW THE PERSONAL FINANCE
7 CONVERSATION TO ENTER INTO THE WORKFORCE TO HELP EMPLOYEES
8 BECOME MORE EDUCATED ABOUT THE PROGRAM AND THEIR RESPECTIVE
9 FINANCES, YOU WILL NOTE THAT MANY OF YOUR EMPLOYEES ARE
10 PREPARED AND READY TO RETIRE IF WE WOULD SHOW THEM HOW TO DO
11 IT. PART OF WHAT YOU'RE DOING TODAY IS TO LOOK AT CUTS
12 REGARDING DEBT ELIMINATION. IF WE'RE ABLE TO DO THAT WITH
13 RESPECTIVE EMPLOYEES AND THEY REALIZE IT'S NOT NECESSARY TO
14 RECEIVE AN ENTICEMENT OF 15,000 OR AN ADDITIONAL SERVICE
15 CREDIT TO ENABLE THEM TO GO, THERE IS A SELECTIVE GROUP THAT
16 WOULD RETIRE TOMORROW. SO MY TIME IS RUNNING OUT. I ASK THAT
17 YOU ALLOW ME TO COME BACK AS A FRIEND WITH MORE TIME TO SHARE
18 IN A LESS FORMAL SETTING, AND I THINK YOU WILL CONCLUDE THAT
19 IT IS A VIABLE OPTION. I THANK YOU FOR YOUR CONSIDERATION.

20

21 **SUP. MOLINA, CHAIR:** THANK YOU, SIR.

22

23 **SUP. ANTONOVICH:** MADAM CHAIR? GLORIA? ON THE REPORT THAT WE
24 HAD ASKED FOR MARCH 23, IT DIDN'T INCLUDE ALL OF THE POTENTIAL



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1 SAVINGS. BUT WHAT ARE THE COST OF SAVINGS FOR FURLOUGH DAY,
2 BILL?

3

4 **C.E.O. FUJIOKA:** FOR A FURLOUGH DAY?

5

6 **SUP. ANTONOVICH:** AH-HUH.

7

8 **C.E.O. FUJIOKA:** I BELIEVE IT WAS ABOUT \$5 MILLION A DAY.

9

10 **SUP. ANTONOVICH:** \$5 BILLION?

11

12 **C.E.O. FUJIOKA:** YES.

13

14 **SUP. ANTONOVICH:** AND WHAT IS THE COST SAVINGS FROM ELIMINATING
15 SICK LEAVE BUY BACK?

16

17 **C.E.O. FUJIOKA:** IT WAS APPROXIMATELY, I THINK ABOUT \$21
18 MILLION.

19

20 **SUP. ANTONOVICH:** 21 MILLION. AND WHAT WOULD BE THE SAVINGS FOR
21 FREEZING PROMOTIONS FOR ONE YEAR?

22

23 **C.E.O. FUJIOKA:** WE HAD A MORE DIFFICULT TIME DEALING WITH THAT
24 ONE. WE DIDN'T EVEN BALLPARK THAT ONE. WE'RE ABLE TO LOOK AT
25 DATA BASED ON POSITIONS INDIVIDUALS CURRENTLY HOLD TO GET THE



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1 INFORMATION ON FREEZING STEP INCREASES, BUT PROMOTIONS ARE
2 DIFFICULT. IT'S ALL PREDICATED ON AN AVERAGE TURNOVER AND
3 OTHER CHANGES IN THE WORKFORCE. SO THAT WAS DIFFICULT. I
4 COULDN'T SEE IT BEING ANYTHING MORE THAN \$10 MILLION.

5

6 **SUP. ANTONOVICH:** ABOUT 10 MILLION. ON THE FURLOUGH, THAT'S \$5
7 MILLION A YEAR OR \$5 MILLION A MONTH?

8

9 **C.E.O. FUJIOKA:** NO, IT WOULD BE A YEAR.

10

11 **SUP. ANTONOVICH:** IT WOULD BE A YEAR.

12

13 **C.E.O. FUJIOKA:** YES.

14

15 **SUP. MOLINA, CHAIR:** PER DAY.

16

17 **C.E.O. FUJIOKA:** FOR EACH DAY, IT WOULD REPRESENT \$5 MILLION.

18

19 **SUP. ANTONOVICH:** FOR EACH DAY?

20

21 **C.E.O. FUJIOKA:** YES.

22

23 **SUP. ANTONOVICH:** SO FOR A YEAR IT COULD BE 12 MONTHS?

24



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1 **C.E.O. FUJIOKA:** NO IF WE TOOK ONE DAY OFF A MONTH? IT'S ONE
2 DAY OFF A MONTH REPRESENTED \$5 MILLION. SO THAT WOULD BE A
3 TOTAL OF 12 DAYS.

4

5 **SUP. ANTONOVICH:** IT WOULD BE 60 MILLION A YEAR.

6

7 **C.E.O. FUJIOKA:** YES.

8

9 **SUP. ANTONOVICH:** OKAY. AND THEN WHAT WOULD BE THE COST SAVINGS
10 FROM SUSPENSION OF THE ANNUAL INCREASE FOR ONE YEAR?

11

12 **C.E.O. FUJIOKA:** THE COST OF LIVING INCREASE?

13

14 **SUP. ANTONOVICH:** STEP INCREASE.

15

16 **C.E.O. FUJIOKA:** WE DEALT WITH THE STEP INCREASES, THAT WAS \$21
17 MILLION. THE ANNUAL INCREASE, IF YOU'RE SPEAKING TO A COST OF
18 LIVING INCREASE, THERE WOULDN'T BE ANY IMPACT.

19

20 **SUP. ANTONOVICH:** BUT ON THE STEP INCREASE IT WOULD BE 21
21 MILLION?

22

23 **C.E.O. FUJIOKA:** ABOUT \$21 MILLION.

24



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. ANTONOVICH:** 21 MILLION. TALKING WITH THE AREA DIRECTOR OF
2 CALTRANS ON FRIDAY, THEY'RE HAVING TO TAKE A 5 PERCENT
3 INCREASE IN THEIR P.E.R.S. CONTRIBUTION, 5 PERCENT CUT OR A
4 FURLOUGH DAY AND THEN I THINK A 5 PERCENT CUT IN THEIR SALARY.
5 IT'S LIKE A 15 PERCENT CUT THAT THEY'RE GETTING. HIS REFERENCE
6 WAS METRO M.T.A. IS OVERPAYING THE PROGRAMMERS AND THAT WE
7 JUST HIRED SOMEBODY IN THE 200 RANGE. AND HE WAS SAYING THAT
8 HE'S AT 115 OR 118,000 AND HE SUPERVISES I DON T REMEMBER HOW
9 MANY THOUSANDS OF PEOPLE. AND I THINK THE DIRECTOR ONLY
10 RECEIVES LIKE 170,000. BUT HE WAS PUTTING IT IN PERSPECTIVE
11 THAT THESE ARE THE CUTS THEY'RE HAVING TO TAKE AT THE STATE.
12 AND YET THE TRANSIT M.T.A. AND ALSO ORANGE COUNTY, WHAT THEY
13 WERE PAYING AND HOW IT WASN'T MAKING SENSE.

14

15 **SUP. MOLINA, CHAIR:** I RAISED THAT ISSUE.

16

17 **SUP. ANTONOVICH:** I KNOW, I KNOW. WE OPPOSED IT. I AGREE WITH
18 YOU. WE DID.

19

20 **SUP. MOLINA, CHAIR:** WE GOT SHOT IT DOWN.

21

22 **SUP. ANTONOVICH:** WE WERE OUTVOTED. BUT I THOUGHT IT WAS A
23 RELEVANT DISCUSSION WE HAD BECAUSE IT WAS ON FRIDAY. AND HOW
24 DO YOU IMPACT WHAT'S HAPPENING AT THE STATE AND WHAT'S



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1 HAPPENING HERE AT THE LOCAL LEVEL. AND THAT'S WHY I RAISED
2 THESE ISSUES. SO THANK YOU.

3

4 **SUP. MOLINA, CHAIR:** I THINK ONE OF THE ISSUES AND IT CONTINUES
5 TO BE IS WHAT GOVERNMENT SALARIES ARE AT AND HOW THERE'S NO
6 RHYME AND REASON ON A GOOD MANY OF THEM. M.T.A. SAID THAT WAS
7 TO ATTRACT THE BEST AND THE BRIGHTEST, AND YET -- AND NO
8 COMMENT ON THAT PART OF IT, BUT THE REALITY IS THESE SALARIES
9 ARE GETTING OUT OF HAND ON SOME OF OUR -- WITH ALL THE
10 BENEFITS AND SO ON. SO I THINK WE HAVE TO BE CAREFUL. IT THINK
11 THE THE STATE IS SUFFERING FROM ITS OWN DECISIONS THAT IT MADE
12 ON ITS PENSION ISSUES. AND SO CONSEQUENTLY, EVERYBODY IN THE
13 STATE IS PAYING THE PRICE AT THIS POINT IN TIME. AND THAT IS
14 WITHOUT BALANCING ITS BUDGET, IT'S MAKING THOSE KINDS OF
15 DEMANDS ON ITS EMPLOYEES. HOPEFULLY WE WON'T GET TO THAT
16 POINT.

17

18 **C.E.O. FUJIOKA:** THERE IS ONE THING WE SHOULD EMPHASIZE THOUGH
19 FOR THE GENERAL PUBLIC IS THAT WITH ALL THE TALK ABOUT
20 PENSIONS, OUR COUNTY DOESN'T GET ENOUGH CREDIT FOR THE FACT
21 THAT WE'VE HELD THE LINE. WE DID NOT OFFER THE 3 PERCENT AT
22 50. WE ROLLED BACK OUR RETIREMENT PLANS IN 1978, WELL '77,
23 '78, '79 AND '81. WE LEFT SOCIAL SECURITY AND CREATED PLAN E.
24 WE DO NOT BUY DOWN OUR EMPLOYEE CONTRIBUTION RATES LIKE A LOT
25 OF PEOPLE DO UP AND DOWN THE STATE AND OTHER COUNTIES. WE



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1 OFFER GENERAL PLANS, IN OUR GENERAL PLAN A D AND AN E AND OUR
2 SAFETY B PLAN THAT'S AT RATES SIGNIFICANTLY LOWER THAN OTHER
3 JURISDICTIONS. THERE ARE SOME COUNTIES, I WON'T NAME THEM, BUT
4 THERE'S ONE IN PARTICULAR WHO OFFERS THEIR EMPLOYEES, THEIR
5 CIVILIAN EMPLOYEES 3 PERCENT AT 55. FOR US FOR A CIVILIAN
6 EMPLOYEE IN THE COUNTY OF LOS ANGELES TO GET OVER 2 PERCENT,
7 YOU MUST BE 60 YEARS OLD. AND SO THIS BOARD HAS, I THINK, DONE
8 AN EXCEPTIONAL JOB IN MANAGING THE PENSION BENEFITS. AND WE
9 HAVEN'T GIVEN FOLKS WHAT IS ACTUALLY, I THINK, PUSHING HUGE
10 FINANCIAL PROBLEMS ON OTHER COUNTIES. WE HAVEN'T OFFERED THOSE
11 KIND OF PENSION PROGRAMS OR BENEFITS. SO THERE'S A LOT OF TALK
12 ABOUT PENSION RIGHT NOW, BUT I THINK OUR PROGRAM -- NOT THINK,
13 I FEEL STRONGLY THAT OUR PROGRAM IS A MODEL PROGRAM FOR FISCAL
14 CONSTRAINT.

15
16 **SUP. MOLINA, CHAIR:** ABSOLUTELY. AND UNFORTUNATELY, I MEAN, WE
17 ARE SEEING EVEN IN THOSE AREAS WHERE CITIES HAVE HAD TO CUT
18 BACK ON PUBLIC SAFETY ITEMS, AND THAT IS PERSONNEL AND
19 SERVICES IN ORDER TO MEET THEIR PENSION OBLIGATIONS. THAT'S
20 THE KIND OF SEVERE IMPACT THAT IT'S HAVING ON MANY
21 JURISDICTIONS AND ON ONE OF MY CITIES ALONE HAS HAD SEVERE
22 CUTBACKS IN SAFETY AREA BECAUSE OF THE 3 PERCENT AT 50. SO IT
23 HAS GONE A LONG WAY. I THINK WE STILL HAVE A FAIRLY ADEQUATE
24 IF NOT -- CAN'T SAY GENEROUS AS OTHERS RIGHT NOW, BUT VERY
25 ADEQUATE RETIREMENT SYSTEM FOR OUR EMPLOYEES WITHOUT IT



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1 CREATING A DRAIN ON OUR PRESENT DAY SERVICES. WE HAVE ENOUGH
2 CHALLENGES IN THOSE AREAS FOR HAVING THAT IN ADDITION TO. AND
3 SO CONSEQUENTLY WE ARE PRESERVING MOST OF OUR EMPLOYEES. ALL
4 RIGHT. WITH THAT, ON ITEM 8, WE WILL RECEIVE AND FILE. LET'S
5 MOVE ON TO ITEM NO. 9.

6

7 **C.E.O. FUJIOKA:** AND THAT'S OUR REPORT TO REPLACE THE CURRENT
8 DEPARTMENT BILLING SYSTEM WITH A NEW FINANCING STRUCTURE FOR
9 AUDIT SERVICES AND WORK WITH THE AUDITOR-CONTROLLER TO DEVELOP
10 A POLICY TO FUND NON-ROUTINE BOARD PRIORITY AUDITS. IN THE
11 PROPOSED BUDGET, WE PUT A MILLION DOLLARS OF ONE-TIME FUNDING
12 IN THE P.F.U. FOR ROUTINE BOARD PRIORITY AUDITS TO ADDRESS
13 YOUR REQUEST.

14

15 **SUP. MOLINA, CHAIR:** ALL RIGHT.

16

17 **SUP. KNABE:** SO WE'RE ULTIMATELY GOING TO, AT THE SEPTEMBER
18 BUDGET MEETING WE'RE GOING TO REALLY ADDRESS THE WAY THESE
19 AUDITS ARE FINANCED? BECAUSE I THINK THE INTENT OF MY MOTION
20 WAS TO MAKE SURE THAT THERE'S BOARD CONTROL OF THE AUDITS AND
21 IT WAS NOT DICTATED BY DEPARTMENTAL BUDGETS, IS THAT CORRECT?

22

23 **C.E.O. FUJIOKA:** BUT WE DID SET ASIDE A MILLION DOLLARS IN THE
24 P.F.U. SO THAT MONEY IS THERE IN THE BUDGET. IF WE GO BEYOND



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1 THAT, THEN WE'D HAVE TO COME BACK TO YOU WITH A SEPARATE
2 APPROPRIATION. BUT WE DO HAVE MONEY SET ASIDE.

3

4 **SUP. MOLINA, CHAIR:** BUT DOES IT ANSWER HIS QUESTION ABOUT IS
5 IT CONTROLLED AS TO HOW IT'S ALLOCATED? AS BY THE BOARD OR IS
6 IT JUST BY PROCESS OF ROUTINE?

7

8 **C.E.O. FUJIOKA:** IT WOULD BE BY THE BOARD.

9

10 **SUP. ANTONOVICH:** BUT HAVE THE INFORMATION PROVIDED TO THE
11 BOARD AS TO THE COST OF THE AUDIT BEFORE IT'S IMPLEMENTED.

12

13 **C.E.O. FUJIOKA:** OKAY.

14

15 **SUP. KNABE:** RIGHT. BUT ALSO THAT WE -- YOU KNOW, WHAT WE'VE
16 RUN INTO IS WE SAY WELL WHY WASN'T THAT DEPARTMENT? WELL THE
17 DEPARTMENT QUOTE/UNQUOTE SAID THEY DIDN'T HAVE THE MONEY IN
18 THE BUDGET, SO THERE WAS NO AUDIT PERFORMED.

19

20 **C.E.O. FUJIOKA:** RIGHT.

21

22 **SUP. ANTONOVICH:** WHAT WE'VE TRIED TO DO AND THE MOTION THAT I
23 BROUGHT IN WAS TO PUT MONEY ASIDE SO THAT THIS BOARD, WHEN WE
24 HAVE ISSUES IN A DEPARTMENT, WE'LL KNOW HOW MUCH, BUT WE HAVE
25 THE MONEY TO ALLOCATE IT.



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1

2 **SUP. ANTONOVICH:** BUT WE WILL KNOW WHAT THE COST OF THAT, THE
3 PRICE OF THE AUDIT, BEFORE THEY DO IT.

4

5 **SUP. MOLINA, CHAIR:** OKAY. THAT ANSWERS THE QUESTION? ALL
6 RIGHT. THAT'S A RECEIVE AND FILE ITEM. SO IF THERE'S NO
7 OBJECTION, SO ORDERED ON THAT ITEM. ITEM NO. 10.

8

9 **C.E.O. FUJIOKA:** NO. 10 SPEAKS TO THE FUNDING FOR THE
10 ADMINISTRATIVE INTERN PROGRAM. THE BOARD HAS IDENTIFIED THIS
11 PROGRAM AS A PRIORITY PROGRAM TO DEAL WITH OUR SECESSION
12 PROGRAM. IN THE FINAL CHANGES WE'VE PLACED \$381,000 OF N.C.C.
13 TO RESTORE THE PROGRAM FOR FISCAL YEAR 2010/2011. I ASK THAT
14 YOU RECEIVE AND FILE THIS ITEM.

15

16 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT'S A RECEIVE AND FILE ITEM.
17 DOES THAT RESPOND TO THE QUESTIONS THAT WERE RAISED IN THAT
18 REPORT? OKAY. IF THERE ARE NO OBJECTION, SO ORDERED ON ITEM
19 NO. 10. ALL RIGHT. ITEM NO. 11.

20

21 **C.E.O. FUJIOKA:** 11 IS A REPORT ON HOW TO RESTORE TO THE CUTS
22 TO THE LIFEGUARD BUDGET WITH ONGOING FUNDING SOURCES. THE
23 FINAL BUDGET RECOMMENDS A RESTORATION OF \$800,000 TO ADDRESS
24 THIS ISSUE. I ASK THAT YOU RECEIVE AND FILE.

25



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1 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT ITEM IS BEFORE US, ITEM
2 NO. 11. ANY QUESTION, COMMENT?

3

4 **SUP. YAROSLAVSKY:** IS THAT RECEIVE AND FILE OR DOES THAT NEED
5 APPROVAL?

6

7 **SUP. MOLINA, CHAIR:** NO, IT'S A RECEIVE AND FILE.

8

9 **C.E.O. FUJIOKA:** NO, IT'S IN THE FINAL BUDGET, WHICH HAS BEEN
10 APPROVED. SO THIS REPORT IS JUST A RECEIVE AND FILE. NO. 12,
11 I'M GOING TO ASK OUR CHIEF PROBATION OFFICER, HIS CHIEF DEPUTY
12 AND OUR STAFF TO JOIN ME AT THE TABLE. I UNDERSTAND THERE MAY
13 BE SOME QUESTIONS ON THIS. BUT THE REPORT SPEAKS TO HOW
14 FUNDING OF \$79.5 MILLION, WHICH WAS ALLOCATED FROM A
15 SETTLEMENT AGREEMENT REACHED WITH THE DEPARTMENT OF JUSTICE
16 HAS BEEN SPENT TO DATE. WE SENT YOU A REPORT. THERE'S ONE
17 THING I NEED TO ADD TO THIS ONE REPORT IS THAT ALTHOUGH WE
18 HAVEN'T IDENTIFIED HOW THIS MONEY HAS BEEN COMPLETELY SPENT TO
19 DATE AND THERE'S A HOST OF REASONS, SPECIFICALLY THE REASONS
20 BEING THE ABSENCE OF STRONG FISCAL PROGRAMS IN THAT
21 DEPARTMENT. BUT WE ARE CONTINUING TO WORK ON THIS EFFORT.
22 WE'RE WORKING IN CONCERT WITH NOT ONLY THE PROBATION
23 DEPARTMENT BUT ALSO OUR AUDITOR-CONTROLLER'S OFFICE. BUT WE
24 HAVE OUR CHIEF PROBATION OFFICER, WHO'S BEEN HERE A WHOPPING
25 COUPLE OF MONTHS NOW. BUT THE REASON WHY WE DO HAVE A CHIEF



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1 PROBATION OFFICER AND WE ACTUALLY HAVE ELIMINATED FOLKS AT
2 MANY LEVELS OF THIS DEPARTMENT STARTING AT THE C.P.O, THE
3 CHIEF DEPUTY, THE ADD DEP, OUR PERSONNEL DIRECTOR, IT'S
4 BECAUSE OF THE PROBLEMS THAT ARE IN THIS DEPARTMENT. AND THEY
5 ARE VERY, VERY SEVERE.

6

7 **SUP. KNABE:** BUT AT LEAST AT SOME POINT, MY UNDERSTANDING IS WE
8 ARE GOING TO GET A FULL ANALYSIS OF WHERE THIS \$79 MILLION
9 THAT WAS GIVEN TO THE DEPARTMENT WENT TO.

10

11 **C.E.O. FUJIOKA:** WE'RE STILL WORKING ON THAT. IT'S A VERY
12 DIFFICULT ITEM TO TRACK.

13

14 **SUP. YAROSLAVSKY:** ARE WE GOING TO GET A REPORT? THAT'S THE
15 ISSUE. I'M NOT SURE THAT I UNDERSTAND WHERE THEY'RE GOING WITH
16 THIS. WE MADE THE MOTION TO TRACK, TO IDENTIFY THE \$79 MILLION
17 EXPENDITURE AND WHERE THE MONEY WAS SPENT. THIS WAS BEFORE
18 YOUR TIME. SO NOT KNOCKING YOU GUYS. BUT SOMEWHERE \$79 MILLION
19 WAS APPROPRIATED TO THIS DEPARTMENT AND NOBODY KNOWS WHERE IT
20 WENT. MOST OF IT.

21

22 **JACQUIE WHITE:** JACQUIE WHITE FROM THE C.E.O.'S OFFICE.

23

24 **SUP. YAROSLAVSKY:** YEAH.

25



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1 **JACQUIE WHITE:** WE ARE LOOKING AT THIS FROM SEVERAL ANGLES.
2 WHEN WE TAKE THE \$79 MILLION ALLOCATION BY THE VARIOUS
3 CATEGORIES THAT ARE THERE, WE'RE TRYING TO ENSURE THAT THE
4 POSITIONS WENT TO THE AREAS FOR WHICH THEY WERE ALLOCATED TO
5 THE DEPARTMENT. AND ONE OF THOSE AREAS WAS IN THE HALLS. WE
6 FEEL CONFIDENT THAT THE POSITIONS THAT WERE ALLOCATED TO THE
7 HALLS AND THOSE EXPENDITURES ASSOCIATED WITH THE HALLS WERE
8 THERE BECAUSE THEY WERE PROVIDED TO THE DEPARTMENT TO ADDRESS
9 THE D.O.J. ISSUES. WE HAVE BEEN CLEARED OR GIVEN CLEARANCE BY
10 THE D.O.J. STATING THAT WE HAVE IMPLEMENTED TO THEIR
11 SATISFACTION IN THOSE AREAS. AS FOR THE CAMPS, WE ARE
12 CONTINUING TO LOOK AT THE CAMP AREA. NOT ONLY WE ARE, AS YOU
13 KNOW, TRYING TO PUT INTO PLACE SOME THINGS FOR THE D.O.J.
14 AGREEMENT THAT WE ARE CURRENTLY IN WITH THE CAMPS. IN ADDITION
15 TO THAT, WE HAVE OUR ONGOING ASSESSMENT OF THOSE CAMP AREAS TO
16 SEE WHAT IS GOING ON IN THERE, AS WELL. AS A PART OF THAT AND
17 RELATED TO THE STAFFING, WE'RE TRYING TO STRAIGHTEN OUT --
18 WE'RE LOOKING AT THE PLACEMENT OF ITEMS. WE REFERRED TO THE
19 ITEM CONTROL ON SEVERAL DIFFERENT OCCASIONS AND THE FACT THAT
20 IT IS A NECESSARY PART OF FINDING OUT IF THOSE POSITIONS THAT
21 WERE ALLOCATED FOR THE CAMP FINDINGS ARE IN PLACE AS WE HAVE
22 BEEN PROVIDED POSITIONS FOR. IN ADDITION TO THAT, WE ARE ALSO
23 LOOKING AT HOW WE ARE USING THOSE TO SEE IF WE CAN DO IT IN A
24 MORE EFFICIENT MANNER, IF OUR RESOURCES NEED TO BE REALLOCATED
25 IN ANY WAY. SO WE'VE GOT VARIOUS THINGS THAT WE'RE DOING AS



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1 FAR AS THAT'S CONCERNED, AS WELL. WE TALKED ABOUT A CAMP
2 ASSESSMENT AND WE HAVE SOME CONSULTANTS.

3

4 **SUP. YAROSLAVSKY:** CAN I STOP YOU FOR A SECOND AND STICK TO
5 WHAT YOU'VE SAID SO FAR?

6

7 **JACQUIE WHITE:** OKAY.

8

9 **SUP. YAROSLAVSKY:** ON THE 79 MILLION. I WANT TO READ FROM, AND
10 YOU SAID IT AND I JUST WANT TO READ FROM YOUR REPORT. "WE
11 BELIEVE TWO LARGE SEGMENTS OF FUNDING, \$5.5 MILLION TO ENHANCE
12 MENTAL HEALTH AND HEALTH SERVICES FOR PROBATION'S USE IN
13 JUVENILE HALLS AND \$59 MILLION TO FUND 901 ADDITIONAL
14 POSITIONS WERE EXPENDED. WE BELIEVE THAT THEY WERE EXPENDED.
15 BUT WE CANNOT REPORT WITH CERTAINTY WHICH POSITIONS WERE HIRED
16 OR WHERE THOSE STAFF WERE DEPLOYED AT THE TIME." AND THEN YOU
17 GO ON TO MAKE THE LEAP. "HOWEVER, THE DEPARTMENT DID ACHIEVE
18 COMPLIANCE WITH DEPARTMENT OF JUSTICE REQUIREMENTS IN 2009, SO
19 WE BELIEVE THE FUNDING WAS USED TO IMPROVE THE THE CONDITIONS
20 AND SERVICES PROVIDED IN THE DEPARTMENT'S OF JUVENILE HALLS."
21 BUT YOU DON'T KNOW THAT. THERE'S TWO FACTS IN EVIDENCE. ONE IS
22 THAT WE CLEARED THE DEPARTMENT OF JUSTICE. THE DEPARTMENT OF
23 JUSTICE CLEARED US AT THE HALLS. THE SECOND THING IS THAT YOU
24 DON'T KNOW FOR SURE, QUOTE AGAIN, "WE CANNOT REPORT WITH
25 CERTAINTY WHICH POSITIONS WERE HIRED OR WHERE THOSE STAFF WERE



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1 DEPLOYED AT THE TIME." THAT'S \$59 MILLION WORTH OF POSITIONS,
2 901 POSITIONS. ON APRIL 20, THE BOARD APPROVED A MOTION TO ASK
3 YOUR OFFICE TO GET TO THE BOTTOM OF THIS. I UNDERSTAND IT'S
4 COMPLICATED.

5

6 **DONALD BLEVINS:** IF I COULD JUST JUMP IN HERE REAL QUICKLY.

7

8 **SUP. YAROSLAVSKY:** WELL, BEFORE YOU DO, I JUST WANT TO ASK ARE
9 YOU -- IS YOUR INVESTIGATION ON THE 79 MILLION OR THE LION'S
10 SHARE OF IT, BECAUSE YOU'VE IDENTIFIED A FEW OF THE SMALLER
11 POTS OF MONEY, ARE YOU -- IS YOUR INVESTIGATION ON THIS OR
12 YOUR REVIEW OF THIS ESSENTIALLY COMPLETE? THE IMPRESSION I GET
13 FROM READING THE REPORT IS THAT YOU ASSUME THAT IT WAS SPENT
14 FOR THE RIGHT REASONS BECAUSE D.O.J. CLEARED US. BUT THERE'S
15 NO INDICATION WHERE YOU'RE GOING FROM HERE.

16

17 **C.E.O. FUJIOKA:** I HAD MENTIONED WHEN I FIRST INTRODUCED THIS
18 ITEM IS THAT WE HAVEN'T COMPLETED THIS. THAT IN FACT, WE ARE
19 STILL WORKING ON IT. ONE OF THE PRINCIPAL PROBLEMS WITH
20 TRACKING THESE COSTS IS THE ABSENCE OF ANYTHING THAT RESEMBLES
21 AN ITEM CONTROL. THE ABSENCE OF STRONG FISCAL SYSTEMS IN THE
22 DEPARTMENT IS A PROBLEM. WE HAVE OUR NEW CHIEF, WHO IS IN FACT
23 MOVING FORWARD TO PUT TOGETHER THAT ITEM CONTROL. WE HAVE AN
24 ITEM CONTROL SYSTEM THAT WOULD COME UP THROUGH E.C.A.P.S. AS
25 PART OF THE E.H.R.



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1

2 **SUP. KNABE:** BUT WHY CAN'T THEY DO E.C.A.P.S.?

3

4 **C.E.O. FUJIOKA:** HMM?

5

6 **SUP. KNABE:** WHY CAN'T THESE BE TRACKED THROUGH E.C.A.P.S.? ARE
7 THEY NOT ENTERING THE DATA?

8

9 **C.E.O. FUJIOKA:** HAVEN'T BEEN ABLE TO.

10

11 **JACQUIE WHITE:** THE ITEM CONTROL PORTION OF E.C.A.P.S. IS STILL
12 UNDER DEVELOPMENT. WE'RE STILL WORKING ON THAT. SO WE ROLLED
13 OUT A PART OF THE SYSTEM, BUT THE ITEM CONTROL IS STILL BEING
14 WORKED ON.

15

16 **C.E.O. FUJIOKA:** MAYBE DONALD CAN SPEAK TO WHAT YOU'RE TRYING
17 TO GET.

18

19 **SUP. YAROSLAVSKY:** DOES THE PROBATION DEPARTMENT NOT HAVE ITEM
20 CONTROL THROUGH E.C.A.P.S.?

21

22 **DONALD BLEVINS:** NOT YET.

23

24 **C.E.O. FUJIOKA:** WE DON'T HAVE ITEM CONTROL FOR E.C.A.P.S.
25 RIGHT NOW.



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1

2 **SUP. YAROSLAVSKY:** AT ALL? COUNTYWIDE?

3

4 **JACQUIE WHITE:** NO.

5

6 **C.E.O. FUJIOKA:** WE DO NOT.

7

8 **DONALD BLEVINS:** NO. AND I JUST WANT TO COMMENT THAT EVEN
9 THOUGH CAL AND I HAVE BEEN HERE A SHORT PERIOD OF TIME, WE'RE
10 AGGRESSIVELY TRACKING THIS. AND ESSENTIALLY WE'RE PULLING ALL
11 OF OUR BUDGET RECORDS, PAST ROSTERS, CURRENT ROSTERS. BUT THIS
12 PROCESS IS TAKING LONGER THAN WE ANTICIPATED. AND I THINK ONE
13 OF THE PROBLEMS IN THE PAST IS THAT YOU'VE BEEN GIVEN
14 INACCURATE INFORMATION. SO WE WANT TO MAKE SURE THE
15 INFORMATION THAT WE BRING FORWARD IS GOING TO BE ACCURATE. BUT
16 JUST TO GIVE YOU AN IDEA, WE DID A SNAPSHOT OF THE STAFF THAT
17 ARE ON PAPER ASSIGNED TO THE DOWNEY OFFICE. AND ON PAPER,
18 THERE'S 581 EMPLOYEES. AND AFTER WE WENT THROUGH THAT NUMBER
19 AND 13 ARE ON A RESTRICTED LEAVE STATUS AND 20 HAD NO EARNINGS
20 AND WE'RE GOING TO FOLLOW-UP ON THAT SMALL GROUP, OUT OF 548
21 THAT WE VERIFIED ARE EMPLOYED WITH THE DEPARTMENT, 146 ARE
22 ACTUALLY WORKING SOMEPLACE OTHER THAN WHERE THEIR PAY LOCATION
23 SAYS THEY ARE. THIS IS JUST A SNAPSHOT OF ABOUT 10 PERCENT OF
24 THE DEPARTMENT EMPLOYEES. AND SO AS WE GET OUT INTO SOME OF
25 THE OTHER DIVISIONS, WE ANTICIPATE WE'RE GOING TO FIND MORE OF



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1 THIS SAME THING. BUT AS WE FIND THEM, WE'RE RECONCILING THEM
2 AND MAKING SURE THAT THE PAY THAT GOES TO THE POSITION IS --
3 THE BODY'S WHERE IT'S SUPPOSED TO BE. AND SO WE'RE
4 AGGRESSIVELY FOLLOWING UP ON THIS.

5

6 **SUP. YAROSLAVSKY:** SO THIS SOUNDS TO ME LIKE THIS IT'S A
7 COLOSSAL MESS. IF 10 PERCENT HAS THAT KIND OF A -- I MEAN IT
8 SOUNDS LIKE ABOUT A 25 PERCENT.

9

10 **DONALD BLEVINS:** TWENTY-FIVE PERCENT.

11

12 **SUP. YAROSLAVSKY:** THIS INFORMATION THERE BASED ON THE
13 INFORMATION THAT YOU HAVE, YOU EXTRAPOLATE THAT DEPARTMENT-
14 WIDE, IT WOULD BE --

15

16 **DONALD BLEVINS:** I'M GOING TO SAY 1,500 TO 2,000 EMPLOYEES.

17

18 **SUP. YAROSLAVSKY:** THAT ARE NOT WORKING WHERE THEY'RE SUPPOSED
19 TO BE WORKING.

20

21 **DONALD BLEVINS:** CORRECT.

22

23 **SUP. YAROSLAVSKY:** THAT'S JUST UNBELIEVABLE. SO IT GETS BACK TO
24 MY QUESTION IS, I DON'T KNOW HOW YOU MAKE THE JUDGMENT. I
25 MEAN, I SHOULDN'T SAY THAT. WE ARE JUST DARNED LUCKY, IT SEEMS



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1 TO ME, THAT WE GOT CLEARED BY D.O.J. AND WE HAVE NO WAY OF
2 KNOWING WHETHER WE GOT CLEARED BY D.O.J. BECAUSE ALL OF THE
3 PEOPLE THAT ARE SUPPOSED TO BE PUT INTO THOSE HALLS WERE PUT
4 THERE OR FOR SOME OTHER REASON. AND THAT'S JUST NOT GOOD
5 ENOUGH. BUT I ASKED WHETHER THE AUDIT OR THE REVIEW HAD BEEN
6 EXHAUSTED, BECAUSE FROM READING YOUR REPORT, MR. FUJIOKA, IT
7 SAYS THINGS LIKE "DUE TO THE COMPLEXITY OF THE EFFORT, IT HAS
8 TAKEN US LONGER THAN ANTICIPATED TO RESPOND DEFINITELY WITH
9 A COMPREHENSIVE FISCAL REVIEW OF THE DEPARTMENT." WHEN DO YOU
10 EXPECT THE DEFINITIVE COMPREHENSIVE FISCAL REVIEW TO BE
11 COMPLETE? ANY OF YOU.

12

13 **JACQUIE WHITE:** WELL, DEFINITELY BY SUPPLEMENTAL BUDGET, WE
14 THINK WE'LL HAVE --

15

16 **SUP. YAROSLAVSKY:** THAT'S THREE MONTHS FROM NOW.

17

18 **JACQUIE WHITE:** YES. BUT WE THINK WE'LL HAVE A HANDLE ON IT
19 THEN. AND PART OF THAT DIFFICULTY IS THAT IN ORDER TO
20 RECONCILE THE ITEM CONTROL, WE'RE ACTUALLY -- WE HAVE TO
21 ACTUALLY LOOK AT LOCATION TO LOCATION. SO THIS IS NOT THAT
22 SIMPLE. WE'RE ACTUALLY TRYING TO RECONCILE BY LOCATION.

23

24 **C.E.O. FUJIOKA:** WE'RE DOING PAYROLL AUDITS AT EACH LOCATION.

25



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1 **JACQUIE WHITE:** JUST BY STARTING WITH THIS SAMPLE THAT WE JUST
2 TALKED ABOUT HERE BRIEFLY, LOOKING AT WHAT'S IN HEADQUARTERS,
3 WE REALIZE THAT THE NUMBER OF ISSUES THAT WE ENCOUNTERED WHEN
4 WE GO OUT INTO A 24/7 LOCATION AND WE START TO LOOK AT THAT,
5 IT'S GOING TO BE EVEN MORE DIFFICULT. SO WE'RE TRYING TO IRON
6 OUT THOSE PROBLEMS AND BE -- COME UP WITH A STRATEGY THAT WILL
7 WORK WHEN WE ROLL OUT TO THESE OTHER LOCATIONS AND GO THROUGH
8 THIS RECONCILIATION PROCESS.

9

10 **SUP. YAROSLAVSKY:** YEAH, I UNDERSTAND. I APPRECIATE THE
11 DIFFICULTY, THE LOGISTICAL DIFFICULTY IN GETTING THIS DONE.
12 JUST THE TIMING OF THIS IS SO CRITICAL BECAUSE THAT DEPARTMENT
13 RAN A HUGE DEFICIT THIS YEAR. THE C.E.O. ASKED FOR A
14 SIGNIFICANT APPROPRIATION SUPPLEMENT SO THAT THEY WOULD HAVE A
15 SEAMLESS TRANSITION TO THE NEW LEADERSHIP AND THAT THINGS
16 WOULDN'T FALL THROUGH THE CRACKS. BUT IN THE MEANTIME, THERE
17 WAS A \$79 MILLION THAT I CALL MISSING. IT'S OBVIOUSLY NOT
18 MISSING BECAUSE IT'S BEEN SPENT SOMEWHERE. BUT IT'S A MISSING
19 \$79 MILLION, AND NOBODY KNOWS WHERE EXCEPT FOR THIS PILOT
20 PROGRAM, AND I'M NOT EVEN SURE THAT RELATES TO THE 79 MILLION,
21 BUT IT JUST GIVES YOU AN IDEA WHAT'S GOING ON. WE HAVE NO IDEA
22 WHERE THESE 901 POSITIONS, IF THEY WERE HIRED IN THEIR
23 ENTIRETY, WHERE THEY WERE DEPLOYED. AND THE IMPLICATIONS OF
24 THAT, ASIDE FROM THE COLOSSAL CIRCUS THAT IT MUST FEEL FOR YOU
25 TO WALK INTO IS THAT IT'S COSTING US A LOT OF MONEY. AND IT'S



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1 MONEY THAT MAY NOT BE GOING TO THE CORE MISSION OF THE
2 DEPARTMENT OR TO THE CORE OBJECTIVES THAT WE HAVE GIVEN WHERE
3 THE DEPARTMENT HAS BEEN THE LAST COUPLE OF YEARS. AND IF
4 THAT'S THE CASE, THEN IT'S A DOUBLE WHAMMY FOR US. WE'RE
5 GETTING HIT WITH MORE OF AN APPROPRIATIONS REQUEST. AND I
6 THINK THERE'S CLOSE TO \$40 MILLION, \$35 MILLION THAT WAS SET
7 ASIDE TO HANDLE THE PROBATION DEPARTMENT'S NEEDS. AND AT THE
8 SAME TIME, THE MONEY THAT WE ARE SPENDING MAY BE GOING DOWN
9 THE RAT HOLE. AND NOBODY KNOWS. AND IT'S JUST DRIVING ME CRAZY
10 THAT AN ORGANIZATION THIS BIG THAT'S SUPPOSED TO BE THIS
11 ADVANCED AND THIS MODERN CAN'T KNOW THE VERY BASICS. IT IS
12 JUST FRUSTRATING TO ME. SO YOU'RE SAYING THAT YOUR REVIEW HAS
13 NOT BEEN EXHAUSTED YET.

14

15 **JACQUIE WHITE:** NO.

16

17 **SUP. YAROSLAVSKY:** AND YOU PLAN TO IDENTIFY EVERY ONE OF THESE
18 DOLLARS THAT AT THIS POINT ARE UNIDENTIFIABLE, WHERE WE DON'T
19 KNOW WHERE THE MONEY HAS GONE, EACH OF THE 901 POSITIONS, IF
20 THEY WERE FILLED, WHERE THEY WERE FILLED, YOU'RE GOING TO GET
21 ALL THAT INFORMATION, YOU THINK YOU CAN DO THAT BETWEEN NOW
22 AND THE END OF AUGUST?

23

24 **JACQUIE WHITE:** WE ARE WORKING AGGRESSIVELY TO DO THAT BETWEEN
25 NOW AND SUPPLEMENTAL BUDGET.



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1

2 **SUP. YAROSLAVSKY:** LET ME ASK YOU --

3

4 **C.E.O. FUJIOKA:** THAT ITEM CONTROL SHOULD BE DONE LATER THIS
5 SUMMER. ONE THING I DO WANT TO HIGHLIGHT, AND DON HAS BEEN
6 HERE A SHORT TIME. AS YOU KNOW, CAL HAS BEEN HERE A LITTLE BIT
7 LONGER. BUT SINCE HIS ARRIVAL, THE INITIAL PROBLEM WAS IN THE
8 LOW \$50 MILLION RANGE. ABOUT 51, \$52 MILLION. IT'S STILL BIG.
9 IT'S STILL 36. BUT HE WAS ABLE TO MAKE SOME CHANGES AND
10 TIGHTEN IT UP TO BRING IT DOWN TO 36. BUT OF THAT 36, THE
11 LARGEST PROBLEM IS ASSOCIATED WITH THE LOSS OF REVENUE,
12 PRINCIPALLY V.L.F. REVENUE. SO WE DO HAVE E.C.A.P.S. THE
13 E.H.R. VERSION OF E.C.A.P.S. WILL BE UP AND RUNNING TOWARDS
14 THE LATTER PART OF THIS SUMMER, WHICH WILL HAVE THE ITEM
15 CONTROL COMPONENT. EVERY DEPARTMENT WHO HAS AN ITEM CONTROL
16 DOES THAT PRETTY MUCH AS A HOME-GROWN PROGRAM. THE FACT THAT
17 OUR COUNTY DOES NOT HAVE AN AUTOMATED OR CENTRAL ITEM CONTROL
18 IS A HUGE WEAKNESS THAT IMPACTS NOT ONLY PROBATION BUT EVERY
19 OTHER COUNTY DEPARTMENT.

20

21 **SUP. YAROSLAVSKY:** LET ME ASK YOU A QUESTION. DO YOU THINK THIS
22 IS A PROBLEM IN ALL THE OTHER MAJOR DEPARTMENTS OF THE COUNTY
23 SINCE THEY DON'T HAVE ITEM CONTROL? DO YOU THINK WE'VE HIRED
24 PEOPLE AND WE DON'T KNOW WHERE WE PUT THEM?

25



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1 **C.E.O. FUJIOKA:** NOT TO THIS EXTENT.

2

3 **SUP. YAROSLAVSKY:** DO YOU THINK IT'S UNIQUE TO THIS DEPARTMENT?

4

5 **C.E.O. FUJIOKA:** I THINK IT'S UNIQUE TO THIS DEPARTMENT.

6

7 **SUP. YAROSLAVSKY:** TO THIS EXTENT.

8

9 **C.E.O. FUJIOKA:** THIS DEPARTMENT HAS -- IF YOU LOOK AT IT, AS
10 WE'VE OPENED UP, AS WE LOOKED AT EVERYTHING, I WAS GOING TO
11 USE A METAPHOR, BUT AS WE LOOK AT EVERYTHING, THE DEPTH OF THE
12 PROBLEMS IN THIS DEPARTMENT ARE SHOCKING. THERE'S NO IF, AND,
13 BUTS ABOUT IT. IF WE WERE TO TELL YOU RIGHT NOW THAT -- IF WE
14 GAVE A REPORT THAT SAID, "OH, WE'RE CONFIDENT THAT THE 901
15 POSITIONS WERE ABSOLUTELY FILLED AND PUT IN THESE CAMPS, THAT
16 WOULD NOT BE TRUTHFUL. SO INSTEAD YOU HAVE A REPORT THAT SAYS
17 WE'RE SURE THEY WERE HIRED, BUT WE CAN'T TELL YOU WHAT
18 POSITIONS WERE PLACED IN EVERY SINGLE CAMP.

19

20 **SUP. YAROSLAVSKY:** BUT YOUR REPORT DOES SAY WE BELIEVE THE
21 FUNDING WAS USED TO IMPROVE THE CONDITIONS AND SERVICES
22 PROVIDED IN THE JUVENILE HALLS.

23

24 **C.E.O. FUJIOKA:** YES.

25



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1 **DONALD BLEVINS:** AND I CAN SAY THAT THE CONDITIONS IN JUVENILE
2 HALL ARE IMPROVED. WHERE WE'RE LACKING IS IN OUR CAMP PROGRAM.
3 WE STILL HAVE D.O.J. OUT THERE. I'M NOT CONVINCED THAT THE
4 REDESIGN OF THE CAMPS HAS -- I CAN'T EVEN SAY FULLY
5 IMPLEMENTED. I'M NOT SURE IT'S BEEN IMPLEMENTED MUCH AT ALL.
6 YOUR COMMENT ABOUT MONEY GOING DOWN A RAT HOLE, THAT'S MY JOB
7 TO ENSURE THAT THAT MONEY'S NOT GOING DOWN A RAT HOLE. AND SO
8 WE'RE GOING TO IMPROVE THE CONDITIONS IN CAMP. WE'RE GOING TO
9 IMPROVE THE PROGRAMMING. AND WE'RE GOING TO DO IT WITH
10 EXISTING RESOURCES. AND THAT'S ALL WE CAN DO. WE HAVE TO WORK
11 WITHIN THE BUDGET AND THE RESOURCES WE HAVE HAVE. WE'VE MADE
12 ENOUGH IMPROVEMENT IN JUVENILE HALL THAT THE COUNTS ARE DOWN,
13 WHICH HAS REDUCED OVERTIME SIGNIFICANTLY. IF I'M ABLE TO MOVE
14 SOME OF THOSE BODIES TO IMPROVE THE CONDITIONS IN CAMP, I'M
15 WILLING TO DO THAT. BUT THE BOTTOM LINE IS UNTIL I KNOW WHERE
16 EVERYBODY IS, I CAN'T MANAGE ALL OF THE PROGRAMS UNTIL WE'RE
17 SURE WE HAVE THE STAFFING IN PLACE THAT'S SUPPOSED TO BE
18 THERE. SO OUR NEXT STRATEGY IS TO PULL ROSTERS AT CAMP AND
19 RECONCILE EXACTLY WHAT WE DID AT THE DOWNEY OFFICE IS TELL ME
20 THE BODIES THAT ARE SUPPOSED TO BE HERE. WHAT'S BUDGETED AND
21 WHERE ARE THE BODIES AND WE'LL GET THE BODIES THERE THAT NEED
22 TO BE THERE.

23

24 **SUP. YAROSLAVSKY:** OKAY. I APPRECIATE YOUR EFFORTS. AND I KNOW
25 YOU'RE JUST BRAND NEW AND EVEN CAL IS RELATIVELY BRAND NEW.



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1 AND YOU WALKED INTO THIS SITUATION. I JUST DON'T WANT THIS --
2 THERE'S A BIGGER PICTURE, BIGGER PROBLEM THAN THIS, THAN THE
3 79 MILLION. BUT THE 79 MILLION IS A CRITICAL PROBLEM. AND
4 WE'VE ASKED FOR THAT INFORMATION, AND I DON'T WANT TO BE
5 SHINED ON ON THIS ISSUE. THIS IS A DETAIL, IT'S A BIG DETAIL,
6 IT'S A \$79 MILLION DETAIL. BUT OUT OF LITTLE DETAILS, BIG
7 DETAILS GET FOULED UP. AND IF WE'RE NOT ABLE TO -- I MEAN, I
8 THINK IT'S PRETTY SELF-EVIDENT, IF WE ARE NOT ABLE TO FIGURE
9 OUT WHERE \$79 MILLION WENT, AND WHETHER IT WAS INTENDED TO
10 HIRE 901 PEOPLE, DID WE HIRE THEM AND WHERE DID THEY GO? AND
11 WE CAN'T ANSWER THAT SIX OR SEVEN WEEKS AFTER THE QUESTION WAS
12 ASKED BY US AND EVEN LONGER THAN IT WAS ASKED BY YOURSELVES
13 INTERNALLY, THEN WE'VE GOT A BIG A PROBLEM. AND JUST LIKE YOUR
14 10 PERCENT PILOT SNAP TALLY IN DOWNEY PRODUCED ALL THIS BAD
15 NEWS, IF THIS IS THE WAY THE DEPARTMENT WAS HANDLED, THEN
16 THERE MAY BE -- THE DEPARTMENT'S A LOT BIGGER THAN \$79
17 MILLION. THERE MAY BE MUCH BIGGER PROBLEMS THAN EVEN THIS
18 INDICATES. BUT THE BOTTOM LINE IS, I WANT TO KNOW. I THINK
19 EVERY MEMBER OF THIS BOARD WANTS TO KNOW. WHERE DID THAT MONEY
20 GO? EXACTLY WHERE DID IT GO? DID IT GO ANYWHERE? DID IT GO
21 INTO SOMEBODY'S POCKET? WHERE DID IT GO? AND IF IT WENT TO
22 SOMETHING OTHER THAN THE INTENDED PURPOSE, THEN THAT HAS TO BE
23 RECTIFIED. AND EVERY DAY THAT GOES BY THAT WE DON'T KNOW,
24 SOMEBODY'S WORKING IN A POSITION POTENTIALLY THAT HE WASN'T
25 SUPPOSED TO BE WORKING AT AND FOR WHICH WE DIDN'T APPROPRIATE



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1 THE MONEY. AND THEN ALL THE WHILE WE KEEP GETTING ASKED FOR
2 MORE FUNDING. I APPRECIATE YOU WANT TO DO IT WITHIN YOUR
3 EXISTING BUDGET. I'M NOT SURE YOU'LL BE ABLE TO. BUT IT
4 CERTAINLY IS THE OBJECTIVE. SO I APPRECIATE IT AND I
5 APPRECIATE YOUR EFFORTS. AND I ASSUME THE AUDITOR-CONTROLLER'S
6 WORKING HAND IN GLOVE WITH YOU GUYS ON THIS.

7

8 **JACQUIE WHITE:** YES, THE AUDITOR-CONTROLLER IS WORKING WITH US.

9

10 **C.E.O. FUJIOKA:** THE AUDITOR-CONTROLLER, I DON'T KNOW IF
11 THEY'RE HERE, BUT --

12

13 **SUP. MOLINA, CHAIR:** ZEV, IF YOU WANT TO LET SOMEONE ELSE.

14

15 **SUP. YAROSLAVSKY:** SURE.

16

17 **C.E.O. FUJIOKA:** THERE'S ONE DIFFICULT REALITY.

18

19 **SUP. MOLINA, CHAIR:** WOULD YOU? OKAY.

20

21 **C.E.O. FUJIOKA:** THERE'S ONE REALITY WE'RE DEALING WITH,
22 THOUGH. THIS MONEY WAS APPROPRIATED IN 2004. I DON'T WANT TO
23 LEAD YOU WITH SOME BAD INFORMATION. THIS MONEY WAS
24 APPROPRIATED IN 2004. THE HIRING STARTED IN 2005, WENT ON
25 THROUGH '06. WENT ON TO 2007. FOLKS WERE HIRED, PUT ON THE



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1 BUDGET UNIT. THEY PROBABLY WERE SUBSEQUENTLY TRANSFERRED
2 THROUGHOUT THE WHOLE DEPARTMENT BECAUSE THAT DEPARTMENT, THEIR
3 STAFF TENDS TO BE MOBILE. THEY GO FROM CAMPS. THEY GO TO
4 HALLS. THEY GO TO FIELD OPERATIONS. WITH THE ABSENCE OF
5 INFORMATION AND A SYSTEM TO BACKTRACK THAT AND TIE IT WITH AN
6 ABSOLUTE DEGREE OF CERTAINTY DOWN TO THE DOLLAR, I DON'T THINK
7 THAT'S POSSIBLE. WE'RE GOING TO GET AS CLOSE AS POSSIBLE, BUT
8 WHEN I TELL YOU THE ABSENCE ITEM CONTROL, WHEN YOU HAVE 10
9 PERCENT OF THE FOLKS WHO SHOULD BE WORKING AT DOWNEY AND IN
10 FACT NOT 10 OR 20, BUT THEY'RE ACTUALLY WORKING SOMEWHERE
11 ELSE, IT MAKES IT VERY, VERY DIFFICULT. WE DID A PAYROLL AUDIT
12 AT DOWNEY TO COUNT THE HEADS TO MAKE SURE THAT PEOPLE -- JUST
13 TO MAKE SURE PEOPLE ARE ACTUALLY GETTING CHECKS. WE DID THAT.
14 WE ARE GOING TO DO IT AT ALL THE OTHER FACILITIES. THIS
15 DEPARTMENT IS A MESS.

16
17 **SUP. YAROSLAVSKY:** YOU'RE GOING TO HAVE TO GET EVERY ONE OF
18 THEM. BECAUSE IF YOU DON'T, THAT MEANS THAT SOMEBODY IS
19 GETTING PAID FOR SOMETHING THEY WEREN'T HIRED TO DO. THAT'S
20 UNACCEPTABLE ON ANY LEVEL.

21
22 **C.E.O. FUJIOKA:** OKAY.

23
24 **SUP. MOLINA, CHAIR:** SUPERVISOR RIDLEY-THOMAS?
25



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1 **SUP. RIDLEY-THOMAS:** MADAM CHAIR, I'D LIKE TO HEAR FROM THE
2 AUDITOR-CONTROLLER ON THIS MATTER IF I MAY IN ADDITION TO THE
3 PERSONS WHO ARE HERE.

4

5 **SUP. MOLINA, CHAIR:** ALL RIGHT.

6

7 **SUP. RIDLEY-THOMAS:** IT WOULD SEEM TO ME THAT MUCH OF WHAT'S
8 BEING DISCUSSED IS AN AUDITOR-CONTROLLER FUNCTION. MAYBE I'M
9 INCORRECT HERE. BUT CONCERNS ABOUT ALLOCATION OF RESOURCES,
10 CONCERNS ABOUT WHETHER THEY ARE BEING SPENT CONSISTENT WITH
11 BOARD DIRECTION, CONCERNS ABOUT HOW WE ACCOUNT FOR THE
12 ALLOCATION. AND THE EXTENT TO WHICH THERE ARE QUESTIONS ON THE
13 PART OF THE BOARD PURSUANT TO AN ACTION THAT WAS TAKEN BY THE
14 BOARD IN ITS ENTIRETY IN APRIL, A NEW TEAM COMES FORWARD WITH
15 THE NEW CHIEF PROBATION OFFICER. I DON'T KNOW WHY IT WOULD BE
16 THE STAFF OF THE DEPARTMENT'S JOB TO DO IT. IT SEEMS TO ME
17 THERE'S A NEED FOR A CERTAIN LEVEL OF INDEPENDENCE HERE, WHICH
18 IS ESSENTIALLY THE FUNCTION OF THE AUDITOR-CONTROLLER. AND IT
19 WOULD CERTAINLY RAISE MY LEVEL OF COMFORT AND CONFIDENCE THAT
20 SUCH WOULD BE THE CASE. SO MS. WATANABE, IT WOULD BE USEFUL TO
21 KNOW WHAT THE ROLE OF YOUR OFFICE HAS BEEN IN THIS IN VIEW OF
22 THE FACT THAT THIS IS HARDLY AN INCONSEQUENTIAL MATTER IN
23 TERMS OF SIZE AND/OR SCOPE AND WHAT IT PORTENDS WITH RESPECT
24 TO THE DEPARTMENT AS A WHOLE. IT WOULD BE USEFUL TO HEAR FROM
25 YOU.



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1

WENDY WATANABE: SURE. MEMBERS OF THE BOARD. WENDY WATANABE, THE AUDITOR-CONTROLLER. WITH REGARDING THE JUNE 7 BOARD MEMO ON THE SPECIFICALLY THE \$79 MILLION EXPENDITURE, THE AUDITOR-CONTROLLER HAS NOT BEEN INVOLVED WITH THE REVIEW. NOW, SEPARATELY THERE WAS A MARCH 23 MOTION THAT YOUR BOARD DIRECTED OUR OFFICE TO WORK WITH C.E.O. AND PROBATION TO LOOK AT THE FISCAL REVIEW. WE WERE VERY INVOLVED IN THAT PART OF THE PROCESS. TO ANSWER YOUR QUESTION, SIR, ORDINARILY, THE BUDGET AS DIRECTED BY THE C.E.O. IS HANDED OVER TO A DEPARTMENT FOR MANAGING THEIR OWN SPENDING. AND THE AUDITOR-CONTROLLER, WITH THE EXCEPTION OF PROVIDING THE GUIDELINES OF THE FISCAL POLICY, THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, RECORDING ALL THE EXPENDITURES AND TRACKING YOUR REVENUE, WE DON'T NORMALLY DO THE DAY-TO-DAY OPERATION BECAUSE THAT'S REALLY THE RESPONSIBILITY OF THE DEPARTMENT. AND THEREFORE I DON'T KNOW IF THAT ANSWERS YOUR QUESTION, BUT WHEN THERE ARE -- THE CONTROL THAT COMES WITH THE AUDITOR-CONTROLLER, IS WHEN WE LOOK AT THE MONTHLY SPENDING AND THE YEARLY SPENDING, IS IT IN ACCORDING TO-- IN CONFINEMENT WITH THE APPROPRIATION HAVE ALREADY BEEN ESTABLISHED YOUR BOARD. SO THAT'S KIND OF THE EXTENT OF IT.

23

SUP. RIDLEY-THOMAS: ALL RIGHT. SO THE QUESTION THAT I WOULD POSE, THE MOTION SOUGHT TO GET CLARITY ON A \$79 MILLION



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1 MYSTERY, FOR LACK OF A BETTER CHARACTERIZATION. THAT'S NOT A
2 DAY-TO-DAY MANAGEMENT ISSUE PER SE. IT WOULD BE, IF IT WAS IN
3 -- WOULD IT BE IN REAL TIME. BUT TO THE EXTENT THAT A REVIEW,
4 THE BOARD WAS SEEKING A REVIEW OF THE MATTER AND TRYING TO
5 DETERMINE WHAT THE ACCOUNTABILITY FOR THE ALLOCATION IS OR
6 WAS, WOULDN'T THAT PRECISELY BE THE ROLE OF THE AUDITOR-
7 CONTROLLER'S OFFICE, TO GIVE US SOMETHING MORE CONSISTENT WITH
8 WHAT YOU SAID YOU MAY HAVE DONE IN MARCH OVER AGAINST THAT
9 WHICH IS BEING REPRESENTED IN JUNE, IN LIGHT OF THE FACT THAT
10 THE DATA IS YET TO BE COMPLETED?

11

12 **WENDY WATANABE:** WE CAN CERTAINLY BEGIN LOOKING --

13

14 **SUP. RIDLEY-THOMAS:** THERE SEEMS TO BE A LITTLE --

15

16 **SUP. KNABE:** THE C.E.O.'S OFFICE SAID YES THEY'RE INVOLVED.
17 YOU'RE SAYING YOU'RE NOT INVOLVED? WHO'S INVOLVED? WHO'S ON
18 FIRST?

19

20 **JACQUIE WHITE:** I'LL PROVIDE CLARIFICATION AS TO WHAT I WAS
21 SAYING. AS A PART OF THE REVIEW, THE LOOK A LOOK AT THE \$79
22 MILLION IS ALSO A REVIEW. AND TO THAT EXTENT, YOU CANNOT
23 BIFURCATE THE TWO BECAUSE THEY ARE PART OF ONE AND THE SAME.
24 AS FAR AS THE DEVELOPMENT OF THE \$79 MILLION REPORT, THE
25 DIRECTION WAS TO THE C.E.O. TO WORK ON THE \$79 MILLION REPORT.



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1 BUT SIMULTANEOUSLY, WE WERE DOING THE FISCAL REVIEW. AND
2 THAT'S WHERE THE AUDITOR-CONTROLLER WAS VERY MUCH INVOLVED.
3 AND THEY COLLABORATED WITH US ON THAT PROCESS.

4

5 **WENDY WATANABE:** WE LOOKED AT -- THE MOTION AS IT READ, THE
6 MARCH 23, WAS TO LOOK AT THE FISCAL 2009/2010 BUDGET
7 SHORTFALL. SO THE PRIOR ANALYSIS INDICATED A \$50 MILLION PLUS
8 SHORTFALL. AND NOW IT'S BEEN LOOKED AT AND REVIEWED BY ALL
9 THREE DEPARTMENTS. AND THAT'S THE FIGURE THAT BILL WAS
10 MENTIONING EARLIER AT 36 MILLION. SO I THINK THE ANSWER -- WE
11 DID LOOK AT PART OF IT, BUT IF YOU ASK ME, THE 79 --

12

13 **SUP. RIDLEY-THOMAS:** YES, THAT'S THE ISSUE. WHEN I LOOK AT THE
14 MOTION DATED APRIL 20, IT MAKES REFERENCE TO THE 79 MILLION.
15 AND IT WOULD SEEM TO ME THAT IS EXPLICITLY AN AUDITOR-
16 CONTROLLER FUNCTION. AND, MADAM CHAIR, IT WOULD SEEM TO ME
17 THAT THAT IS AN APPROPRIATE WAY TO CAUSE THE BOARD'S
18 UNDERSTANDING TO BE HEIGHTENED WITH RESPECT TO ACCOUNTABILITY
19 FOR THESE RESOURCES. AND SO I WOULD JUST SIMPLY WANT TO MOVE
20 THAT THE AUDITOR-CONTROLLER BE INVOLVED IN THIS MATTER IN ITS
21 APPROPRIATE MANNER PURSUANT TO WHAT WAS ADOPTED BY THE BOARD
22 ON APRIL 20 OF THIS YEAR. TO THE EXTENT THAT THERE ARE
23 OUTSTANDING QUESTIONS IN TERMS OF FISCAL CONTROLS AND THE
24 LIKE, THIS IS A ROLE THAT THE AUDITOR-CONTROLLER OUGHT TO BE
25 INVOLVED IN FORTHRIGHTLY.



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1

2 **SUP. MOLINA, CHAIR:** LET'S GET A CLARIFICATION. BEFORE I CALL
3 ON SUPERVISOR ANTONOVICH, LET ME JUST GET A CLARIFICATION ON
4 JUST THIS POINT SO WE ARE ALL ON THE SAME PAGE. OUR AUDITOR
5 JUST MENTIONED THAT THE DAY-TO-DAY MANAGING OF THE BUDGET
6 CONTROLS IS NOT WHAT SHE DOES.

7

8 **SUP. RIDLEY-THOMAS:** EXACTLY.

9

10 **SUP. MOLINA, CHAIR:** SO WHEN WE ASKED -- AND I PUT IN THAT
11 MOTION IN MARCH THAT ASKED FOR A FISCAL REVIEW.

12

13 **SUP. RIDLEY-THOMAS:** RIGHT.

14

15 **SUP. MOLINA, CHAIR:** RIGHT?

16

17 **SUP. RIDLEY-THOMAS:** MM-HM.

18

19 **SUP. MOLINA, CHAIR:** WHICH IS WHEN YOU PUT TOGETHER WHAT THE
20 ACTUAL ON THIS FIGURE CAME ABOUT THAT WAS NOT ACCOUNTED FOR,
21 LET'S PUT IT THAT WAY. IS THAT CORRECT?

22

23 **JACQUIE WHITE:** THAT'S CORRECT.

24

25 **SUP. MOLINA, CHAIR:** WOULD IT BE CORRECT TO PUT IT THAT WAY?



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1

2 **JACQUIE WHITE:** RIGHT.

3

4 **SUP. RIDLEY-THOMAS:** THAT WAS MARCH.

5

6 **SUP. MOLINA, CHAIR:** YES. AND WHAT HAPPENED WAS AT THAT POINT
7 IN TIME, THEN I THINK SUPERVISOR YAROSLAVSKY PUT IN THE MOTION
8 THAT SAID WHERE'D THE MONEY GO? WELL THERE WAS AN
9 ACCOUNTABILITY ASPECT THAT THE AUDITOR CARRIED OUT. LOOKING AT
10 ALL THE NUMBERS, THEY CONCLUDED THERE IS THIS MONEY THAT WE
11 CAN'T GET A FULL ACCOUNTING FOR, WHICH IS THE WORK THAT SHE
12 CARRIED OUT, AS I UNDERSTAND. BUT IT STILL LEFT AN UNKNOWN
13 QUESTION OR AN UNKNOWN ANSWER TO US BECAUSE THE GAP OF WHAT --
14 HOW IT SHOULD BE ACCOUNTED FOR WAS THAT THERE WAS A HUGE GAP.
15 AND AT THAT TIME THAT FIGURE WAS?

16

17 **WENDY WATANABE:** 48, 49 MILLION?

18

19 **SUP. MOLINA, CHAIR:** WHICH AT ONE POINT WAS A HIGHER NUMBER
20 BECAUSE IT STARTED OUT TO BE 80, AS I REMEMBER IT. THEN IT
21 KEPT COMING DOWN. AND SO IT BECAME MORE LIKE A \$40 MILLION
22 PROBLEM. NOW, THE ISSUE, JUST SO THAT WE KNOW, SO BEFORE YOU
23 SAY IS IT THE RIGHTFUL DUTY, YES, AFTER THE FACT SHE CAN GO IN
24 THERE AND LOOK AT WHERE IT ALL WENT. THE PROBLEM IS THAT WHILE
25 THEY'RE CARRYING OUT THEIR BUDGET, AND THIS IS THE ISSUE THAT



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1 EVERYONE IS CONCERNED ABOUT IS WHERE IS THIS MONEY? NOW, THERE
2 ARE SOME REVENUE SHORTFALLS AGAIN THAT WE CAN PROBABLY ATTACH
3 IT TO. BUT JUST SO THAT YOU KNOW, IT ISN'T EXCLUSIVELY AN
4 AUDITOR-CONTROLLER ISSUE; IT IS AN ISSUE WITHIN BUDGET
5 OPERATIONS. AND WHEN I GET A CHANCE TO SPEAK, I WANT TO
6 ADDRESS SOME OF THOSE ISSUES. BUT IT ISN'T -- SO DOES THAT
7 CLARIFY YOUR SITUATION?

8

9 **SUP. RIDLEY-THOMAS:** WELL, I'M JUST LOOKING AT THE BOARD REPORT
10 THAT POSES A QUESTION QUITE DIRECTLY ON HOW THE 79 MILLION
11 APPROPRIATED.

12

13 **SUP. MOLINA, CHAIR:** WHICH ONE? WHICH BOARD REPORT?

14

15 **SUP. RIDLEY-THOMAS:** ITEM NO. 12, JUNE 7.

16

17 **SUP. MOLINA, CHAIR:** THE JUNE 7 REPORT.

18

19 **SUP. RIDLEY-THOMAS:** FROM THE C.E.O. FIRST PARAGRAPH. THREE
20 LINES DOWN ON HOW THE 79 MILLION APPROPRIATED TO IMPLEMENT A
21 2004 SETTLEMENT AGREEMENT REACHED WITH THE DEPARTMENT OF
22 JUSTICE WAS SPENT. THIS ISN'T TALKING ABOUT ANYTHING OTHER
23 THAN ACCOUNTING FOR THAT WHICH WAS ALLOCATED. AND IT WOULD
24 SEEM TO ME THAT IS EXPLICITLY A FUNCTION FOR THE AUDITOR-
25 CONTROLLER, WHICH SHE HAS NOT LOOKED AT. AND SO WHAT THIS



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1 DOES, IN MY MIND, WHAT I'M SEEKING TO ACCOMPLISH, MADAM CHAIR,
2 IS REINFORCEMENT OF THE MOTION YOU ORIGINALLY INTRODUCED IN
3 MARCH, CAPTURING WHAT WAS MORE EXPLICITLY STATED IN APRIL SO
4 THAT WE HAVE A DEFINITIVE ANSWER, WHICH WE DON'T HAVE. AND IT
5 WOULD SEEM TO ME IT IS CLEARLY THE CASE OF AN AUDITOR-
6 CONTROLLER FUNCTION.

7

8 **SUP. MOLINA, CHAIR:** I DON'T THINK SO. CLARIFY FOR ME. I DON'T
9 THINK SO. IS IT?

10

11 **SUP. YAROSLAVSKY:** YEAH, IT IS. HOW IT WAS SPENT. IT'S AN
12 ACCOUNTING ISSUE.

13

14 **SUP. MOLINA, CHAIR:** THAT'S THE ISSUE. THEY CONCLUDED THAT THEY
15 CAN'T FIND HOW IT WAS SPENT.

16

17 **SUP. RIDLEY-THOMAS:** NO, NOT ON ALL OF THIS. SHE SAID SHE
18 DIDN'T TREAT THE 79.

19

20 **SUP. MOLINA, CHAIR:** RIGHT. THEY HAVE THE ALLOCATION THERE FOR
21 THE OTHER. GO AHEAD, WENDY, PLEASE.

22

23 **WENDY WATANABE:** SURE. THE DEPARTMENT WILL BASICALLY SPEND
24 ACCORDING TO -- WELL ACCORDING TO THE BUDGET PLAN AND CODE IT
25 APPROPRIATELY. AND NORMALLY THE AUDITOR-CONTROLLER WOULD NOT



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1 HAVE DOUBT IN TERMS OF THE PROCEEDING OF THE YEAR UNLESS THERE
2 ARE SPENDING PATTERNS THAT'S ABNORMAL AND WHICH WE THEN COME
3 IN AND DO AN AUDIT. BUT ORDINARILY THE MANAGING OF THE DAY-TO-
4 DAY ACCOUNTING APPLICATION, IT'S REALLY THE RESPONSIBILITY OF
5 THE DEPARTMENT. NOW, THAT BEING SAID, WE CAN DEFINITELY WORK
6 WITH THE DEPARTMENT AND THE C.E.O. TO LOOK AT THE \$70 MILLION
7 AS YOU DIRECT.

8

9 **SUP. RIDLEY-THOMAS:** MADAM CHAIR?

10

11 **SUP. MOLINA, CHAIR:** YES. RESPECTFULLY, IT WOULD SEEM TO ME
12 THAT PART OF WHAT'S BEING EXPLORED HERE IS THE INDEPENDENCE OF
13 THE AUDITOR-CONTROLLER'S OFFICE AND FUNCTION. AND THIS IS NOT
14 A MATTER TO BE CARRIED FORTH BY THE DEPARTMENT, PER SE. IN
15 VIEW OF THE FACT THAT THERE ARE QUESTIONS BEING RAISED ABOUT
16 THE EXPENDITURE ITSELF OR THOSE EXPENDITURES THEMSELVES, IT
17 WOULD SEEM TO ME THAT THE FUNDAMENTAL FUNCTION AND PURPOSE OF
18 THE AUDITOR-CONTROLLER'S OFFICE IS AN INDEPENDENT VIEW THAT IS
19 ULTIMATELY SERVED TO THE BOARD FOR ITS CONSIDERATION AND/OR
20 DELIBERATION. THAT'S CONSPICUOUSLY ABSENT HERE.

21

22 **SUP. MOLINA, CHAIR:** IT IS CLEAR, BUT, SUPERVISOR RIDLEY-
23 THOMAS, AS I UNDERSTAND IT, BELIEVE ME I AM JUST AS CONCERNED.
24 YOU KNOW, IT'S LIKE WHEN SOMEBODY HAS BAD BOOKKEEPING RECORDS,
25 AND YOU GO TO THE ACCOUNTANT AND THE ACCOUNTANT IS TRYING TO



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1 FIGURE OUT HOW TO STRAIGHTEN OUT YOUR BOOKKEEPING RECORDS BUT
2 YOU GOT A CASH FLOW PROBLEM? THIS IS WHAT'S GOING ON HERE.

3

4 **SUP. RIDLEY-THOMAS:** RIGHT.

5

6 **SUP. MOLINA, CHAIR:** THAT AUDITOR CAN ONLY AUDIT WHAT SHE IS
7 GIVEN.

8

9 **SUP. RIDLEY-THOMAS:** BUT I WANT TO KNOW IT FROM THE AUDITOR NOT
10 THE BOOKKEEPER.

11

12 **SUP. MOLINA, CHAIR:** THE AUDITOR DID SHARE IT WITH YOU.

13

14 **SUP. RIDLEY-THOMAS:** SHE DIDN'T DO ALL OF IT. SHE'S JUST SAYING
15 THAT NOW. AND WE HAVE AN INCOMPLETE REPORT HERE.

16

17 **SUP. MOLINA, CHAIR:** WAIT, THERE'S TWO DIFFERENT THINGS. THAT'S
18 WHAT I'M SAYING. HERE WE GO AGAIN.

19

20 **SUP. YAROSLAVSKY:** BUT I THINK HE'S TALKING ABOUT --

21

22 **SUP. MOLINA, CHAIR:** WELL, I KNOW. BUT I DON'T GET IT. BECAUSE
23 ALL I HEARD FROM THE C.E.O.'S OFFICE AND THE WAY IT HAS BEEN
24 EXPLAINED TO ME IS THAT IT IS A MESS, MEANING THAT THEY DO NOT
25 KNOW. NOW, WE CAN GO IN AND HAVE THE AUDITOR GO THROUGH AND BE



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1 PART OF UNWEAVING THIS TANGLED MESS, WHICH IS WHAT IT IS. I
2 DON'T GET IT, EITHER. AND I KNOW I WAS GOING TO CALL ON
3 SUPERVISOR ANTONOVICH. BUT I THINK THAT THE IMPATIENCE HERE,
4 MR. BLEVINS AS YOU'RE HEARING, AND IT'S UNFORTUNATE THAT
5 YOU'VE ARRIVED SO LATE IN THIS DISCUSSION, WE'VE BEEN ASKING
6 FOR A LONG PERIOD OF TIME. IS THAT IT'S NOT UNDERSTANDABLE TO
7 US AS YOU UNWEAVE THIS MESS WHY IT'S TAKING SO LONG. THAT'S
8 THE PART THAT'S TROUBLING. EVEN WITH THE MESSIEST OF
9 ACCOUNTING RECORDS, IT DOESN'T SEEM TO ME THAT THIS IS -- AND
10 I ASKED THIS BEFORE -- SOMEBODY WORKING EVERY MINUTE OF THE
11 DAY, EVERY MOMENT OF THE DAY, WITH A TEAM OF PEOPLE TO START
12 UNWEAVING THIS TANGLED MESS THAT YOU HAVE. AND THAT'S THE PART
13 THAT'S FRUSTRATING FOR ME. I'D ASKED THE QUESTION ABOUT HAVE
14 EVERYBODY COME IN FOR THEIR PAYCHECK, RIGHT? AND YOU SAID,
15 "OH, YEAH, WE'RE GOING TO DO THAT." AND Y'ALL DID THAT. IN ONE
16 AREA, AT HEADQUARTERS. WHY DIDN'T YOU DO IT ACROSS-THE-BOARD?
17 SEE, I JUST THINK THAT YOU, THE DEPARTMENT, AND I WON'T SAY
18 YOU, THE DEPARTMENT IS NOT LOOKING AT THIS IN TRYING TO SOLVE
19 IT TOMORROW. IF IT WERE YOUR OWN CHECKBOOK THAT WAS PAYING FOR
20 THIS MONEY, BELIEVE ME YOU'D SPEND ALL NIGHT LONG TRYING TO
21 FIGURE OUT WHERE THE MONEY IS GOING. AND I THINK THAT'S THE
22 KIND OF FRUSTRATION THAT WE'RE AT RIGHT NOW, TRYING TO GET YOU
23 TO UNDERSTAND HOW SIGNIFICANT. YOU KNOW, I TALKED TO MR.
24 REMINGTON AND I SAID, "YOU'VE GOT GHOST EMPLOYEES." I THINK
25 THIS DEPARTMENT WENT SO FAR OUT OF CONTROL IT'S PAYING FOR



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1 CONTRACTS WHERE NO GOODS ARE BEING DELIVERED. THAT'S MY
2 ASSUMPTION. IT'S PAYING FOR GHOST EMPLOYEES THAT DON'T EXIST
3 THAT SOMEBODY DECIDED. OR PEOPLE WHO ARE JUST NOT SHOWING UP
4 TO WORK EVERY DAY BUT COLLECTING A PAYCHECK, I DON'T KNOW. BUT
5 THE WORST THE PART ABOUT IT, THOSE ARE HORRIBLE ALLEGATIONS,
6 AREN'T THEY?

7

8 **DONALD BLEVINS:** YES.

9

10 **SUP. MOLINA, CHAIR:** AND I HOPE NONE OF THEM ARE TRUE.
11 UNFORTUNATELY, YOU HAVEN'T DISPROVED ANY OF THEM IN THE LAST
12 SIX MONTHS. AND OUR FEAR, MISS WHITE, IS THAT COME AUGUST,
13 WE'RE GOING TO BE DISCUSSING THIS SAME ISSUE. I DISCUSSED IT
14 WITH -- WHEN SHE HAD YOUR ROLE AND SHE TALKED ABOUT HOW WE
15 KEEP ASKING QUESTIONS OF THE DEPARTMENT AND THE DEPARTMENT
16 COMES BACK WITH DIFFERENT SETS OF ANSWERS. I REALLY THINK YOU
17 NEED TO GET A TEAM OF PEOPLE THAT ARE NOT JUST GOING TO KEEP
18 GIVING YOU DIFFERENT REPORTS. NOW, THIS IS WHAT I THINK
19 SUPERVISOR RIDLEY-THOMAS IS TALKING ABOUT AND SUPERVISOR
20 YAROSLAVSKY IS. LET'S HAVE AN INDEPENDENT BODY LIKE THE
21 AUDITOR GO IN THERE AND BEGIN UNTANGLING THIS MESS. NOW, I
22 THINK THAT'S REALLY THE ISSUE AT HAND HERE. DO WE WANT TO GO
23 THIS ROUTE? BECAUSE I KNOW I CERTAINLY AM AS IMPATIENT AS
24 ANYONE ELSE ABOUT THE UNKNOWN. BECAUSE I WOULD BE VERY UPSET
25 THAT I FIND OUT AT THE END OF THE DAY YES, SUPERVISOR, YOU HAD



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1 42 GHOST EMPLOYEES. YES, YOU HAD 12 VENDORS THAT WERE
2 RECEIVING MONEY WITH NO SERVICES BEING PROVIDED. I'D BE PRETTY
3 ANGRY THAT IN MARCH, APRIL, MAY, JUNE, JULY AND POTENTIALLY
4 AUGUST I WAS PAYING THEM AND I COULD HAVE STOPPED IT IN MARCH,
5 APRIL, MAY OR JUNE. DO YOU UNDERSTAND?

6

7 **JACQUIE WHITE:** YES.

8

9 **SUP. MOLINA, CHAIR:** AND AGAIN, SUPERVISOR RIDLEY-THOMAS,
10 CORRECT ME IF I'M WRONG, SO IS THAT WHAT WE ARE ASKING? WHICH
11 WOULD STOP IT HAPPENING IN THE DEPARTMENT. RIGHT NOW IT'S MY
12 UNDERSTANDING IT'S THE DEPARTMENT WITH THE C.E.O.'S OFFICE
13 TRYING TO UNTANGLE THIS. AND I DON'T KNOW IF THEY'RE SEEING
14 ANY LIGHT BECAUSE I'M AS FRUSTRATED AS ANYBODY WITH THE BITS
15 AND PIECES I'M GETTING. AND IT'S VERY TROUBLING. OR DO WE GET
16 THE AUDITOR TO GO IN THERE AND START?

17

18 **SUP. YAROSLAVSKY:** MADAM CHAIR?

19

20 **SUP. MOLINA, CHAIR:** WELL WAIT.

21

22 **SUP. YAROSLAVSKY:** I THINK THERE'S A HYBRID.

23

24 **SUP. MOLINA, CHAIR:** WELL I'M TRYING TO GET TO A BETTER
25 UNDERSTANDING. SUPERVISOR ANTONOVICH HAD ASKED TO SPEAK. A



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 CLARIFICATION ON SUPERVISOR RIDLEY-THOMAS'S QUESTION. BECAUSE
2 ONE WAS ASKING THE QUESTION WE THINK AN INDEPENDENT BODY
3 SHOULD GO IN. WELL SHE CAN GO IN THERE AND REVIEW THE FIGURES
4 THAT ARE GIVEN TO HER. BUT IF WE DON'T EVEN KNOW IF CONTRACTS
5 ARE PROVIDING SERVICES AND WE DON'T EVEN KNOW IF EMPLOYEES ARE
6 WORKING, BESIDES WORKING WHERE THEY'RE SUPPOSED TO BE, OR EVEN
7 JUST WORKING AT ALL, THOSE ARE ISSUES THAT HAVE TO BE TAKEN
8 COMMAND OF AND I'M NOT SO SURE THEY HAVE WITHIN THE
9 DEPARTMENT.

10

11 **SUP. RIDLEY-THOMAS:** WELL I WOULD JUST SIMPLY CONCLUDE ON THIS
12 NOTE MADAM CHAIR, IN DEFERENCE TO THE OTHER SPEAKERS, THE MORE
13 THE DISCUSSION EVOLVES, THE CLEARER IT GETS. AND I'M LOOKING
14 FOR A CERTAIN SET OF SKILLS, COMPETENCE, EXPERTISE THAT I
15 THINK IS BY CHARTER LOCATED IN THE AUDITOR-CONTROLLER'S
16 OFFICE. SECONDLY, I'M LOOKING FOR -- AND THIS MAKES CLEAR TO
17 ME THE NEED FOR A GREATER DEGREE OF INDEPENDENCE. AGAIN, BY
18 CHARTER, THE FUNCTION OF THE AUDITOR-CONTROLLER'S OFFICE. IF
19 THERE'S A QUESTION OF WHO'S ON FIRST BASE IN THIS CONNECTION,
20 I THINK THAT CAN BE RESOLVED. I THINK THE BOARD MEMBERS ARE
21 HEARING DIFFERENT THINGS. IN ONE INSTANCE, THE AUDITOR-
22 CONTROLLER IS SAYING SHE IS INVOLVED. IN ANOTHER INSTANCE THE
23 AUDITOR-CONTROLLER IS SAYING THAT OFFICE ISN'T INVOLVED. MY
24 TAKE-AWAY IS THAT IT'S NOT INVOLVED TO THE EXTENT THAT
25 SATISFIES THIS MEMBER OF THE BOARD. THANK YOU, MADAM CHAIR.



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **SUP. ANTONOVICH:** MADAM CHAIR?

3

4 **SUP. MOLINA, CHAIR:** WE'RE NOT GETTING ANYWHERE ON THIS. WHY
5 DON'T YOU THINK OF WRITING THAT UP SO WE CAN BETTER UNDERSTAND
6 IT? WAIT A MINUTE. NO. SUPERVISOR YAROSLAVSKY, MAYBE YOU CAN
7 HELP SUPERVISOR RIDLEY-THOMAS WRITE IT BECAUSE I'M NOT GETTING
8 IT CLEARLY. SUPERVISOR ANTONOVICH WAS NEXT.

9

10 **SUP. ANTONOVICH:** WE'RE TALKING ABOUT TWO REPORTS.

11

12 **SUP. MOLINA, CHAIR:** WRITE IT UP.

13

14 **SUP. ANTONOVICH:** ONE WAS THE ONE THAT WAS FOR LAST YEAR ON THE
15 FISCAL YEAR. BUT THE OTHER ONE IS ABOUT THE PAST EXPENDITURE
16 OF FUNDS OF \$79 MILLION. SO WE DON'T WANT TO MIX UP THOSE TWO
17 REPORTS.

18

19 **SUP. MOLINA, CHAIR:** I'VE GOT A BETTER SHEET OF PAPER FOR YOU
20 TO WRITE ON.

21

22 **SUP. ANTONOVICH:** SECONDLY, I DON'T UNDERSTAND WITH THE
23 AUDITOR-CONTROLLER, WHEN A DEPARTMENT GAINS 901 POSITIONS AND
24 YOU ISSUE CHECKS, ISN'T THERE A WAY THAT THE PAYROLL TITLES BE
25 ON THOSE 901 POSITIONS ON THOSE CHECKS THAT YOU ISSUE?



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **WENDY WATANABE:** THE PAYROLL TITLES ARE NOT, BUT THE
3 INFORMATION CERTAINLY IS IN THE PAYROLL SYSTEM.

4

5 **SUP. ANTONOVICH:** OKAY, SO WOULDN'T THAT BE A WAY OF RECEIVING
6 THAT INFORMATION FOR PROBATION AS TO WHO THEY ARE AND WHAT
7 THEY'RE DOING?

8

9 **WENDY WATANABE:** YES, SIR. I BELIEVE STARTED APRIL 15 AND THIS
10 IS WHAT SUPERVISOR MOLINA MENTIONED. I BELIEVE PROBATION
11 DEPARTMENT DID TAKE THAT FUNCTION ON, WHICH IS TO, IN THE
12 FISCAL POLICY, YOU'RE SUPPOSED TO HAVE ON A YEARLY BASIS TO
13 TAKE YOUR PAY STUB INTO A LOCATION FOR DISBURSEMENT. AND YOUR
14 EMPLOYEE WILL HAVE TO BRING -- SHOW THEM YOUR ID. AND THIS
15 PROCESS I BELIEVE THEY STARTED APRIL 15TH. AND THEN THAT IS
16 THE FIRST STEP IN THE ATTEMPT TO CLEAN UP THE ITEM CONTROL.

17

18 **SUP. ANTONOVICH:** SO NOW WE'RE ON THE PATH OF FINDING THAT
19 INFORMATION.

20

21 **WENDY WATANABE:** EXACTLY.

22

23 **SUP. ANTONOVICH:** AND WE HAVE A DIRECTOR NOW THAT'S ABLE TO
24 EXERCISE THE CONTROL NECESSARY, THE LEADERSHIP. THANK YOU.

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. KNABE:** MADAM CHAIR? I HAVE THE SAME CONCERNS THAT YOU
2 HAVE. SO HOWEVER THEY WRITE IT UP. BUT I THINK THE BIGGER
3 PICTURE HERE IN ADDITION TO WHATEVER THESE TWO WORK OUT IN
4 HYBRID OR WHATEVER IT MAY BE IS THE WHOLE E.C.A.P.S. THING
5 THAT WE SHOULD BE GIVEN JUST SORT OF AN UPDATE ON E.C.A.P.S.,
6 NUMBER ONE. NUMBER 2, WHAT ARE WE DOING COUNTYWIDE AS IT
7 RELATES TO ITEM CONTROL? ARE THERE ANY PROTOCOLS? THERE
8 APPEARS TO BE NO CHECKS AND BALANCES. AND THAT'S WHAT CONCERNS
9 ME. BECAUSE WHILE WE KNOW WE HAVE A VERY SPECIFIC PROBLEM HERE
10 IN PROBATION, OBVIOUSLY -- I MEAN I SHUDDER. WHAT ABOUT THE
11 HEALTH DEPARTMENT? HOW DO THEY CONTROL THEIR ITEM CONTROLS? SO
12 I THINK THAT AN UPDATE ON E.C.A.P.S. AND WHAT PROTOCOLS ARE IN
13 PLACE, IF THERE ARE ANY, AND HOW THE DEPARTMENTS ARE MANAGING
14 THOSE ITEM CONTROLS. OBVIOUSLY SOME ARE PUTTING THE
15 INFORMATION IN SO THEY CAN TRACK IT. OBVIOUSLY PROBATION, YOU
16 KNOW, OVER THE YEARS, HAS NOT. BUT I THINK IT'S -- THAT'S A
17 BIGGER THING OTHER THAN WHAT MARK AND ZEV WERE TRYING TO WORK
18 UP HERE.

19

20 **SUP. MOLINA, CHAIR:** MS. WHITE, LET ME ASK A QUESTION ON THAT.
21 WHERE ARE YOU ON THIS WHOLE THING OF TRYING TO FIGURE IT OUT?
22 I MEAN IT SEEMS AS THOUGH IS THERE A FULL-TIME TEAM THAT'S
23 OPERATING ON THIS EVERY DAY?

24



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **JACQUIE WHITE:** WE DO HAVE, I WOULDN'T SAY A FULL-TIME TEAM,
2 BUT WE HAVE FULL-TIME PEOPLE ON STAFF. AND THAT IS ONE OF
3 THEIR MAIN FUNCTIONS, TO TRY TO FIGURE OUT THIS ITEM CONTROL
4 SITUATION.

5

6 **SUP. MOLINA, CHAIR:** WHO IS MANAGING THEM?

7

8 **JACQUIE WHITE:** RIGHT NOW WE HAVE DEWITT ROBERTS AND DARRYLIN
9 JENSON. SORRY.

10

11 **SUP. MOLINA, CHAIR:** AND DO THEY UNDERSTAND HOW URGENT THIS IS?
12 BECAUSE, AGAIN, MY OWN EXPERIENCES IS TO ANSWERS THAT I WAS
13 GETTING ON THIS WHOLE, WHAT WAS THE THING CALLED, THE RETURN
14 TO WORK THING. AND WE WERE GETTING A LOT OF REPORTS. AND THE
15 C.A.O. PREPARED A REPORT, BUT SOMEHOW THERE WASN'T -- NOBODY
16 HAD OPENED UP THE FILES. SO I'M VERY CONCERNED AS TO HOW YOU
17 APPROACH THESE THINGS. IS IT JUST LIKE, "LET ME KNOW WHAT THIS
18 NUMBER IS AND LET ME KNOW WHEN YOU CHECK THAT OUT?" I MEAN, IS
19 IT REALLY A HANDS-ON OPENING UP? I MEAN, I WOULD WANT TO --
20 WHY NOT? I MEAN WE DON'T EVEN HAVE THE ANSWER TO THE QUESTION
21 THAT I ASKED ABOUT, YOU KNOW, EVERYBODY PICKING UP THEIR
22 CHECKS. YOU GUYS NEVER TOLD HE WHAT THE OUTCOME OF THAT WAS.

23

24 **JACQUIE WHITE:** IT IS A TWO-PRONGED APPROACH.

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. MOLINA, CHAIR:** I'M SORRY?

2

3 **JACQUIE WHITE:** WE ARE APPROACHING IT FROM TWO DIFFERENT
4 ANGLES, AND ONE IS THAT --

5

6 **SUP. MOLINA, CHAIR:** HOW ABOUT, WAS ONE A HANDS-ON ANGLE? WHAT
7 ARE YOU DOING ON THE HANDS-ON ANGLE? DID THEY GIVE YOU THE
8 REPORT? THEY DIDN'T GIVE IT TO US.

9

10 **JACQUIE WHITE:** WE ARE CONTINUING TO WORK ON COMPLETING THE
11 PAYOUT AUDIT, THAT'S THE ONE THING.

12

13 **SUP. MOLINA, CHAIR:** WHAT DOES THAT MEAN?

14

15 **JACQUIE WHITE:** IN OTHER WORDS, THIS IS WHERE THE EMPLOYEES --

16

17 **C.E.O. FUJIOKA:** THE PAYCHECK AUDIT.

18

19 **JACQUIE WHITE:** THE PAYCHECK AUDIT WHERE THE EMPLOYEES COME IN.

20

21 **SUP. MOLINA, CHAIR:** ALL RIGHT. SO WHAT HAPPENED AT
22 HEADQUARTERS?

23



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **JACQUIE WHITE:** THERE WERE A NUMBER OF THINGS THAT HAPPENED AT
2 HEADQUARTERS. ONE WAS THAT SOME PEOPLE WERE NOT WHERE THEY
3 WERE SUPPOSED TO BE.

4

5 **SUP. MOLINA, CHAIR:** AND SO HOW DID YOU FIX THAT?

6

7 **JACQUIE WHITE:** THEY'RE FIXING THAT BY --

8

9 **SUP. MOLINA, CHAIR:** SO YOU HAVEN'T FIXED IT?

10

11 **JACQUIE WHITE:** NOT COMPLETELY, NO.

12

13 **SUP. MOLINA, CHAIR:** WHY NOT?

14

15 **JACQUIE WHITE:** BECAUSE WE NEED TO -- IT'S NOT JUST A FIX, A
16 SIMPLE FIX.

17

18 **SUP. MOLINA, CHAIR:** YOU KNOW, THIS IS WHAT THE AUDITOR'S GOING
19 TO ASK YOU WHEN SHE GETS TO IT. IF IT'S SUPPOSED TO BE THERE,
20 IT EITHER IS OR IT ISN'T.

21

22 **JACQUIE WHITE:** IT SHOULD BE THERE.

23

24 **SUP. MOLINA, CHAIR:** RIGHT. AND IF IT'S NOT THERE, HOW DO YOU
25 FIX IT?



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The Los Angeles County Board of Supervisors**

1

2 **JACQUIE WHITE:** WE TAKE THE TIME TO FIND OUT WHERE THAT
3 INDIVIDUAL SHOULD BE ASSIGNED. WE CORRECT THEM IN THE PAYROLL
4 SYSTEM.

5

6 **SUP. MOLINA, CHAIR:** EXCUSE ME. YOU DID THE HEAD COUNT A MONTH
7 AGO. OKAY. YOU FOUND OUT A MONTH AGO. AND YOU FOUND OUT HOW
8 MANY EMPLOYEES ARE NOT WHERE THEY'RE SUPPOSED TO BE? 30 WHAT?

9

10 **C.E.O. FUJIOKA:** WHAT WAS THAT NUMBER?

11

12 **JACQUIE WHITE:** I CAN'T REMEMBER IT.

13

14 **DONALD BLEVINS:** 146 OUT OF 581.

15

16 **SUP. MOLINA, CHAIR:** WHO WERE NOT SUPPOSED TO BE THERE.

17

18 **DONALD BLEVINS:** RIGHT. AND I WILL TELL YOU IN THAT PROCESS,
19 NOT ALL THE STAFF COOPERATED. WE ACTUALLY HAD TO ORDER SOME
20 PEOPLE TO COME IN AND PICK UP THEIR CHECKS IN ORDER TO
21 RECONCILE THIS.

22

23 **SUP. MOLINA, CHAIR:** WAIT A MINUTE. WHAT DO YOU MEAN DIDN'T
24 COOPERATE? IT WAS MY UNDERSTANDING THE WAY IT WORKED IS THAT
25 THEY HAD TO COME AND PICK UP THEIR CHECK IN PERSON.



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **DONALD BLEVINS:** WELL, A LOT OF THEM IT WAS A PAY WARRANT. SO
3 THE MONEY WAS ALREADY IN THEIR ACCOUNT.

4

5 **C.E.O. FUJIOKA:** THEY HAD DIRECT DEPOSIT SLIP.

6

7 **SUP. MOLINA, CHAIR:** I UNDERSTAND. BUT I THOUGHT THAT WHEN YOU
8 REQUESTED THIS, THAT THAT WOULD HAVE STOPPED THAT.

9

10 **DONALD BLEVINS:** WELL, WE TOLD EVERYBODY ON PAYDAY TO COME IN
11 AND PICK UP THEIR WARRANT. AND AFTER THE FIRST PAYDAY, WE
12 STILL --

13

14 **SUP. MOLINA, CHAIR:** NO. THAT'S NOT WHAT YOU TOLD ME.

15

16 **DONALD BLEVINS:** WE STILL HAD 119 PEOPLE THAT HADN'T PICKED UP
17 THEIR WARRANT.

18

19 **SUP. MOLINA, CHAIR:** WAIT, WAIT. YOU SEE HOW UNCLEAR THINGS
20 ARE? WHY IS IT THAT WE CAN'T REQUEST THAT EVERYBODY PICK UP
21 THEIR PAYCHECK? INCLUDING MYSELF.

22

23 **SUP. YAROSLAVSKY:** GLORIA, SOME OF THE PEOPLE, LIKE ME, HAVE
24 OUR PAYCHECKS DEPOSITED DIRECTLY INTO OUR BANK ACCOUNT.

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. MOLINA, CHAIR:** I UNDERSTAND.

2

3 **SUP. YAROSLAVSKY:** THERE'S THE DIFFERENCE. SO THAT SOME PEOPLE
4 -- WHAT IS THE WARRANT?

5

6 **SUP. MOLINA, CHAIR:** THAT'S THAT LITTLE RECEIPT YOU GET.

7

8 **SUP. YAROSLAVSKY:** THAT'S THE RECEIPT. SO WOULD I RATHER COME?
9 IF I DIDN'T WANT TO SHOW UP AND EXPOSE MYSELF TO WHATEVER
10 REVIEW YOU'RE DOING, THE WARRANT DOESN'T MEAN ANYTHING TO ME
11 AS LONG AS THE MONEY'S IN MY BANK ACCOUNT. AND THAT'S WHAT
12 YOUR PROBLEM WAS.

13

14 **SUP. MOLINA, CHAIR:** I UNDERSTAND THAT. BUT DO YOU UNDERSTAND
15 THAT IN JUST THE SAME WAY OF RETURN TO WORK, WHEN I WAS
16 CALLING EMPLOYEES, ALL RIGHT, THAT DAY, AND I WAS HEARING HOW
17 "OH, THIS PERSON HASN'T SHOWN UP FOR MONTHS" AND YET I CALL
18 HIM UP AND HE'S AT HOME SAYING I'M JUST WAITING FOR A PHONE
19 CALL.

20

21 **SUP. YAROSLAVSKY:** YEAH, BUT THAT'S A DIFFERENT --

22

23 **SUP. MOLINA, CHAIR:** NO IT ISN'T. IT IS A MATTER OF BEING HANDS
24 ON. THAT'S THE DIFFERENCE HERE. NO ONE IN ANY OTHER PRIVATE
25 BUSINESS UNDERSTANDS THIS, YOU GUYS. ALL RIGHT, ANY WHICH WAY,



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1 THOSE 142 HAVE TO BE RESOLVED. OKAY. SO IT TAKES A WEEK OF
2 PHONE CALLS.

3

4 **C.E.O. FUJIOKA:** HE DID ORDER THEM TO COME IN. HE DID ORDER
5 THEM TO COME, RIGHT?

6

7 **DONALD BLEVINS:** THEY WERE ORDERED TO COME IN. YES, WE DID
8 ORDER THEM TO COME IN.

9

10 **SUP. MOLINA, CHAIR:** AND WHEN THEY CAME IN, DID YOU RESOLVE
11 WHERE THEY WERE SUPPOSED TO BE?

12

13 **DONALD BLEVINS:** WELL, WE FOUND OUT WHERE THEY WERE, YES.

14

15 **SUP. MOLINA, CHAIR:** OKAY, BUT WHY ARE THEY THERE?

16

17 **DONALD BLEVINS:** WELL, WE DON'T KNOW WHY IT GOT CODED IN WRONG.
18 BUT WE'RE CORRECTING THAT NOW. I WILL TELL YOU I GOT TWO
19 EMAILS FROM STAFF AT CHALLENGER.

20

21 **SUP. MOLINA, CHAIR:** I'M NOT BEATING UP ON ANYONE. EXCUSE ME.
22 JESUS CHRIST. YOU ASK ALL THESE QUESTIONS.

23

24 **SUP. YAROSLAVSKY:** NO, I'M JUST TRYING TO BE HELPFUL.

25



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1 **SUP. MOLINA, CHAIR:** EXCUSE ME. EXCUSE ME. YOU ASK ALL THESE
2 QUESTIONS. I'M ASKING A COUPLE OF QUESTIONS. ALL OF A SUDDEN
3 I'M BEATING UP ON SOMEBODY.

4

5 **DONALD BLEVINS:** I'M HAPPY TO ANSWER.

6

7 **SUP. MOLINA, CHAIR:** I'M ASKING THE SAME QUESTIONS YOU WERE
8 ASKING EARLIER.

9

10 **SUP. YAROSLAVSKY:** OKAY.

11

12 **DONALD BLEVINS:** I'M HAPPY TO ANSWER.

13

14 **SUP. MOLINA, CHAIR:** THANK YOU.

15

16 **DONALD BLEVINS:** I GOT TWO EMAILS FROM LADIES WHO WORKED AT
17 CHALLENGER. AND THEY WERE SAYING, "I UNDERSTAND THE URGENCY OF
18 GETTING DOWN. BUT IT'S A 3-1/2 HOUR DRIVE DOWN AND THEN GOING
19 BACK TO WORK. AND THEY ASKED PERMISSION TO COME ON A DIFFERENT
20 DAY WHEN THEY WERE DOWN FOR A MEETING." THOSE KINDS OF THINGS
21 WE FELT LIKE WE COULD ACCOMMODATE, WHICH DID DRAG THE PROCESS
22 OUT A LITTLE BIT LONGER. BUT AFTER THE FIRST DAY WHERE WE HAD
23 119 WARRANTS THAT NOBODY PICKED UP, EVERYBODY WAS CONTACTED
24 INDIVIDUALLY TO SAY IT'S IMPORTANT FOR YOU TO GET DOWN AND



**The Meeting Transcript of
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1 PICK THIS WARRANT UP AND THEY WERE ALL GIVEN A DEADLINE TO
2 COME DOWN AND PICK IT UP.

3

4 **SUP. MOLINA, CHAIR:** AND THAT DID HAPPEN?

5

6 **DONALD BLEVINS:** THAT DID HAPPEN.

7

8 **SUP. KNABE, CHAIR:** ALL RIGHT. THEN LET ME ASK THE SECONDARY
9 QUESTION ON THAT. IF IN FACT THEY'RE SUPPOSED TO BE AT
10 HEADQUARTERS, THEY SHOULD KNOW WHY THEY ARE-- WHERE THEY ARE
11 AT TODAY. THEY GOT A TRANSFER SLIP. THEY GOT AUTHORIZATION.
12 SOMEBODY SAID TODAY YOU'RE GOING OVER TO CHALLENGER, RIGHT?
13 WAS THAT RECONCILED?

14

15 **DONALD BLEVINS:** YES. WE ARE -- WELL I CAN'T SAY IT'S 100
16 PERCENT. BUT WE ARE RECONCILING THE 146 THAT ARE NOT AT THE
17 WORK LOCATION.

18

19 **SUP. MOLINA, CHAIR:** MR. BLEVINS, JUST SO WE UNDERSTAND, OKAY?
20 WE'RE JUST TRYING TO FIGURE OUT WHEN WILL THE DAY HAPPEN WHERE
21 WE KNOW WHERE THE MONEY IS, OKAY? PART OF THIS, THIS IS BUT A
22 SMALL PART, OKAY? WE HAVEN'T EVEN STARTED WITH CONTRACTS. THIS
23 IS BUT A SMALL PART AT HEADQUARTERS. SO WE'RE VERY CONCERNED
24 ABOUT HOW THIS IS MOVING. SO, WHAT WE'RE TRYING TO FIND OUT,



**The Meeting Transcript of
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1 IF IN FACT MISS WATANABE WERE TO DO THIS AUDIT, WHAT WOULD SHE
2 FIND THAT WOULD BE DIFFERENT FROM WHAT YOU FOUND?

3

4 **DONALD BLEVINS:** I DON'T THINK SHE WOULD FIND ANYTHING
5 DIFFERENT WITH THIS PILOT GROUP HERE.

6

7 **SUP. MOLINA, CHAIR:** THAT'S CORRECT. AND THAT'S THE POINT I WAS
8 TRYING TO MAKE, THAT WE WOULD NOT FIND A DIFFERENCE. WHAT YOU
9 WOULD FIND IS THE SAME OUTCOME THAT THEY DID. BUT WHAT WE WANT
10 YOU TO FIND OUT IS HOW YOU'RE GOING TO CORRECT THIS SO IT
11 DOESN'T SHOW UP. JUST BECAUSE THEY'RE AT A DIFFERENT LOCATION
12 MIGHT BE FINE, BUT I THINK THAT YOU NEED TO HAVE ALL OF THAT
13 SO WE KNOW EXACTLY HOW MANY PEOPLE ARE AT HEADQUARTERS AND HOW
14 THAT RECONCILES WITH HOW MANY PEOPLE ARE AT CHALLENGER OR
15 ANYWHERE ELSE. THAT'S THE QUESTION. AND THOSE ARE THE ANSWERS
16 THAT WE NEED. AND SO IT'S THE ISSUE OF WHAT WE'RE TRYING TO
17 FIGURE OUT IS: IS IT A FISCAL AUDIT TO FIND OUT WHERE THE
18 MONEY IS? OR IS IT A -- I DON'T WANT TO SAY PROGRAM AUDIT
19 BECAUSE THAT'S NOT THE RIGHT TERM. IT IS AN OPERATIONS BUDGET
20 AUDIT THAT NEEDS TO BE CONDUCTED AS TO HOW YOU ARE ACCOUNTING
21 FOR THE PEOPLE THAT ARE UNDER YOUR EMPLOY, THE CONTRACTS THAT
22 YOU HAVE. WE WANT TO KNOW HOW AND WHERE THE MONEY IS AND WHAT
23 GOES WITH IT. WE'VE ALLOCATED OVER THE YEARS, NOT JUST IN ONE
24 YEAR AS MR. FUJIOKA SAID, BUT THROUGHOUT THE YEARS WE HAVE,
25 UNDER THIS D.O.J. SETTLEMENT, BEEN ALLOCATING MILLIONS OF



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1 DOLLARS, MILLIONS OF DOLLARS TO THE TUNE OF THE \$79 MILLION.
2 901 POSITIONS. AND SO NOW WE JUST NEED TO WORK BACKWARDS AS WE
3 DO WITH THE OTHER AND MAYBE OPEN UP A FILE, START TRYING TO
4 MAKE SURE EVERYTHING IS IN THAT FILE, THOSE TRANSFERS
5 HAPPENED. WAS THAT REPORTED IN THE RIGHT WAY? SO THAT MISS
6 WATANABE WILL KNOW WHERE THESE INDIVIDUALS ARE. AND WHETHER
7 IT'S TRACKING SYSTEM WITH E.C.A.P.S. OR OTHERWISE, YOU NEED TO
8 HAVE A TRACKING SYSTEM FOR YOUR OWN EMPLOYEES. SO WE NEED TO
9 GET THIS DONE. AND I'M WORRIED, MISS WHITE, THAT IN AUGUST
10 WE'RE GOING TO GO THROUGH THIS DISCUSSION AGAIN. SO YOU NEED
11 TO ASSURE US, WHETHER IT BE AN AUDIT THAT IS GOING TO BE
12 CARRIED OUT OR WHETHER IT'S GOING TO CONTINUE TO GO THROUGH
13 THIS PROCESS OF WE'RE WORKING ON IT, THAT THIS SORT OF UNKNOWN
14 IS NOT VERY SATISFYING. AND SO WE NEED TO HAVE A BETTER
15 RESPONSE OTHER THAN HOPEFULLY NOT THE RESPONSE THAT I THINK WE
16 MIGHT HEAR IN AUGUST IS THAT WE'RE STILL WORKING ON IT. THAT
17 WOULD BE VERY UNSATISFACTORY. SO HOW ARE YOU GOING TO ASSURE
18 US THAT WE'RE GOING TO GET DO THAT GOAL? SUPERVISOR RIDLEY-
19 THOMAS IS ASKING THAT WE DO AN AUDIT. WOULD THAT DO IT?

20

21 **JACQUIE WHITE:** WE COULD DO AN AUDIT. BUT THE ONE THING THAT WE
22 DISCOVERED ALREADY IS -- BECAUSE WE ARE LOOKING IN THE FILES
23 AND AT THE RECORDS TO DETERMINE WHAT VARIOUS TRANSFERS HAVE
24 TAKEN PLACE. AND WE DO NOT HAVE THE PAPERWORK THAT WE NEED IN
25 ORDER TO DO THAT TRACKING.



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1

2 **C.E.O. FUJIOKA:** IF I CAN OFFER SOMETHING.

3

4 **SUP. MOLINA, CHAIR:** THANK YOU, THANK YOU, THANK YOU.

5

6 **C.E.O. FUJIOKA:** HERE'S ONE OF THE BIGGEST CHALLENGES. WE KNOW
7 THEY WERE HIRED, 901 PEOPLE. AND THE MONEY THAT YOUR BOARD
8 APPROPRIATED WAS TO HIRE THOSE 901 INDIVIDUALS. WHEN THOSE
9 INDIVIDUALS WERE HIRED, AN IDENTIFIER WAS NOT GIVEN TO THAT
10 PERSON WHO WAS HIRED FOR THAT PROGRAM. MEANWHILE, DURING THE
11 SAME TIMEFRAME, YOU HAVE YOUR NATURAL ATTRITION. YOU HAD
12 PEOPLE LEAVING THE DEPARTMENT. YOU HAD PEOPLE TRANSFERRING IN
13 THE DEPARTMENT, YOU HAD PEOPLE RETIRING FROM THE DEPARTMENT.
14 SO THEY CAN'T TELL, DURING ANY GIVEN YEAR, IF THE PERSON, THE
15 PROBATION OFFICER THAT WAS HIRED WAS SPECIFICALLY TIED TO THE
16 D.O.J. SETTLEMENT OR WAS MERELY REPLACING SOMEONE WHO LEFT
17 THROUGH RETIREMENT OR FOR SOME OTHER PURPOSE. THE ABSENCE OF
18 THOSE IDENTIFIERS MAKES IT VERY DIFFICULT. AND THEN WITH THAT
19 PERSON MOVING FROM THE HALLS TO THE CAMPS TO THE FIELD AND
20 MAYBE BACK TO THE HALLS, BECAUSE THEY DON'T HAVE THAT TRACKING
21 SYSTEM, IT MAKES IT EVEN MORE DIFFICULT. BUT IF IT WAS ONLY IN
22 ISOLATION, WE ARE ONLY TRACKING THOSE 900 PEOPLE JUST FOR
23 D.O.J.? IT WOULD BE INFINITELY EASIER. BUT BECAUSE THEY'RE
24 COMMINGLED WITH OTHER APPOINTMENTS AND OTHER TRANSACTIONS IT
25 MAKES IT DIFFICULT.



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1

2 **SUP. MOLINA, CHAIR:** I UNDERSTAND. BUT YOU UNDERSTAND, BUT
3 WE'RE ASKING ABOUT THOSE. THAT'S THE 80 MILLION AT THE END OF
4 THE DAY THAT WE'VE BEEN ASKING ABOUT.

5

6 **C.E.O. FUJIOKA:** I TOTALLY AGREE. I UNDERSTAND.

7

8 **SUP. MOLINA, CHAIR:** AND BECAUSE WE DON'T HAVE ANY INTERIM
9 REPORTS THAT COME TO US ABOUT THE COMPLICATIONS OF FINDING
10 THESE EMPLOYEES, WE CAN ONLY BELIEVE THAT IT'S NOT HAPPENING,
11 BILL.

12

13 **C.E.O. FUJIOKA:** YES.

14

15 **SUP. MOLINA, CHAIR:** SO CONSEQUENTLY THAT'S A FRUSTRATION ON
16 OUR END. I'VE HEARD BITS AND PIECES OF THAT BECAUSE I'VE ASKED
17 THESE QUESTIONS DIRECTLY. BUT WHAT'S TROUBLING TO ME IS IN THE
18 ABSENCE OF WE'RE GETTING TO IT, WE'RE IN THE PROCESS OF IT,
19 WE'RE GOING TO GET THERE, LEADS US TO BRING UP OTHER
20 QUESTIONS. SO THE ISSUE IS IT ISN'T JUST A MATTER OF AN AUDIT.
21 IT IS A MATTER OF HOW YOU'RE GOING TO JUSTIFY EACH OF THE
22 EMPLOYEES THAT YOU HAVE. WHERE THEY SHOULD BE, NOT ONLY TO
23 SATISFY D.O.J., BUT TO LET US KNOW THAT THESE ALLOCATIONS OF
24 ALL THE DOLLARS THAT WE PUT IN. NOW I WOULD THINK IT WOULD BE
25 A SUPERVISION ISSUE, OKAY? EVERY SUPERVISOR SHOULD KNOW HOW



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1 MANY EMPLOYEES THEY ARE SUPERVISING. WHEN YOU THINK ABOUT IT
2 IN A BASIC SENSE THAT EVEN IF YOU JUST GOT ALL YOUR
3 SUPERVISORS TOGETHER ONE DAY AND HAD A SERIES OF QUERIES, YOU
4 WOULD BEGIN THE PROCESS. NOW WHETHER THAT CLASSIFICATION
5 MATCHES WITH THE CLASSIFICATION THEY WERE ALLOTTED, THAT IS A
6 RECONCILIATION FOR SOMEONE ELSE TO DO. BUT AT LEAST WE'D KNOW
7 THAT THERE ARE BODIES MATCHING WITH POSITIONS THAT ARE BEING
8 PAID FOR AND WHETHER THE CLASSIFICATION IS CORRECT OR WHETHER
9 IT WAS AUTHORIZED OR WHETHER IT FILLED A RETIRED POSITION, YOU
10 COULD PROBABLY FIND OUT AT THAT POINT IN TIME. BUT, JACQUIE,
11 THE WAY IT'S BEING PRESENTED TO US NOW, WITH LITTLE OR NO
12 INFORMATION, IS LEADING US TO THIS CONTINUOUS FRUSTRATION. I
13 KNOW I ASKED THE QUESTION WAY BACK ON MY MARCH 4, THE REVIEW.
14 THE AUDITOR WAS ASKED THE SAME QUESTION. THAT'S WHY I DON'T
15 WANT US TO SEND HER OFF TO DO THE SAME WORK TO COME BACK WITH
16 THE SAME INFORMATION. AND I WAS ASSUMING AT THAT TIME THAT WE
17 WERE GOING TO GET A FULL EVALUATION. WHAT WE DID FIND IS THAT
18 OH MY GOSH, THE DEPARTMENT HAS A LOT OF CONFUSING RECORDS.
19 THAT'S WHAT WE FOUND AT THAT POINT IN TIME. AND SO
20 CONSEQUENTLY SUPERVISOR YAROSLAVSKY TURNED AROUND AND ASKED
21 THE QUESTION AGAIN, AND SAYING WE MUST FIND OUT WHERE ALL OF
22 THESE ALLOCATIONS OF DOLLARS THROUGHOUT THE YEARS, WHERE IS
23 THIS MONEY GOING AND HOW IS IT BEING UTILIZED? AND I GUESS WE
24 GOT A REPORT ON THAT, RIGHT?

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. YAROSLAVSKY:** WHAT REPORT WAS THAT?

2

3 **SUP. MOLINA, CHAIR:** THE JUNE 7 REPORT.

4

5 **SUP. YAROSLAVSKY:** IT'S NOT MUCH OF A REPORT.

6

7 **SUP. MOLINA, CHAIR:** WELL, BUT AGAIN --

8

9 **SUP. YAROSLAVSKY:** IT'S AN INDICATION OF WHERE THEY STAND. BUT
10 THEY'RE NOWHERE FOR THE MOST PART.

11

12 **SUP. MOLINA, CHAIR:** WELL, AND IT DOESN'T. AND THAT'S WHY I'M
13 SAYING WE KEEP ASKING THE QUESTION. AND MAYBE WE'RE NOT ASKING
14 CORRECTLY. AND I THINK THAT'S A FRUSTRATION. SO THAT'S WHY
15 BEFORE WE MOVE FORWARD WITH THIS MOTION, WE ALL ARE ON THE
16 SAME PAGE THAT WE KNOW WHAT WE'RE ASKING FOR.

17

18 **SUP. YAROSLAVSKY:** MADAM CHAIR, CAN I BE HEARD?

19

20 **SUP. MOLINA, CHAIR:** YES.

21

22 **SUP. YAROSLAVSKY:** THANK YOU. THE PROBLEM I THINK AROSE, IT IS
23 IN MY MOTION OF APRIL 20, I ASKED THAT THE BOARD OF
24 SUPERVISORS INSTRUCT THE C.E.O. AND PROBATION DEPARTMENT TO
25 REVIEW ALL THESE THINGS. I DID NOT INCLUDE THE AUDITOR-



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 CONTROLLER. THAT WAS MY MISTAKE. I THINK ALL WE'RE ASKING FOR
2 NOW IS THAT THE AUDITOR-CONTROLLER BE INVOLVED IN THE SAME
3 WAY. THIS IS NOT AN AUDIT. I DON'T THINK SUPERVISOR RIDLEY-
4 THOMAS IS CALLING FOR AN AUDIT. IT MAY LEAD TO ONE LATER ON.
5 BUT IT'S NOT HE'S ASKING FOR. I DIDN'T HEAR HIM USE THE WORD
6 AUDIT, AND IT'S CERTAINLY NOT WHERE I AM. BUT IT'S ESSENTIALLY
7 TO ADD THE AUDITOR-CONTROLLER TO THE TEAM OF C.E.O. AND
8 PROBATION IN LOOKING AT THIS. NOW, I'M GOING TO GET INTO IT IN
9 A SECOND. I WANT TO ASK YOU A COUPLE OF QUESTIONS ABOUT WHAT
10 KIND OF STAFFING YOU HAVE ALLOCATED TO THIS. I THINK
11 SUPERVISOR MOLINA ASKED YOU AND YOU GAVE A PARTIAL ANSWER AND
12 THEN SHE INTERRUPTED YOU. BUT I WANT TO FIND OUT WHAT YOU HAVE
13 IN THE WAY OF RESOURCES. BUT THE AUDITOR-CONTROLLER HAS, ASIDE
14 FROM THE INDEPENDENCE THAT SUPERVISOR RIDLEY-THOMAS CITED,
15 ALSO HAS CAPABILITIES THAT THE OTHER DEPARTMENTS DON'T HAVE. I
16 MEAN YOU GUYS DO PROBATION. YOU GUYS HAVE OTHER THINGS TO DO
17 IN THE C.E.O.'S OFFICE. THIS IS WHAT SHE DOES FOR A LIVING.
18 THIS IS WHAT HER PEOPLE DO FOR A LIVING. AND THEY CAN BE
19 SOMEWHAT (CELL PHONE RINGING) -- THEY CAN BE SOMEWHAT MORE
20 COMPLIMENTARY TO ONE ANOTHER AND HELP US GET THE INFORMATION
21 THAT WE'RE NEEDED. AND ALSO I THINK KEEP YOUR FOCUS ON THE
22 JOB. NOW, JACQUIE, HOW MANY PEOPLE ARE ACTUALLY WORKING ON
23 THIS PIECE? ON THE \$79 MILLION PIECE IN YOUR OFFICE?
24



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **JACQUIE WHITE:** I DON'T KNOW THE EXACT NUMBER, SUPERVISOR, AND
2 HERE'S WHY. WE'RE USING EXISTING STAFF IN THE DEPARTMENT. THE
3 TWO PEOPLE THAT WE PUT OUT THERE ARE IN PLACE OF INDIVIDUALS
4 WHO WERE THERE BEFORE. THEY ARE TRYING THE BEST OF THEIR
5 ABILITY TO USE THE INDIVIDUALS WHO ARE THERE. THE ADVANTAGE TO
6 THAT IS THOSE INDIVIDUALS WHO ARE THERE ALREADY KNOW CERTAIN
7 ASPECTS OF THAT DEPARTMENT. AND THAT ALLOWS US TO HIT THE
8 GROUND RUNNING.

9

10 **SUP. YAROSLAVSKY:** SO IN YOUR OFFICE, IN THE C.E.O.'S OFFICE,
11 NOT THE PROBATION PEOPLE, YOU SAID IN ANSWER TO SUPERVISOR
12 MOLINA'S MOTION, YOU HAVE NO ONE WORKING FULL-TIME ON THIS.

13

14 **JACQUIE WHITE:** NOW IN THE C.E.O.'S OFFICE WE HAVE AN ANALYST
15 AND AN ASSISTANT TO ASSIGNED TO PROBATION FULL-TIME.

16

17 **SUP. YAROSLAVSKY:** ON THIS ISSUE ALONE? ON THE \$79 MILLION?

18

19 **JACQUIE WHITE:** NOT ON THIS PARTICULAR ISSUE ALONE, BUT THAT
20 PARTICULAR INDIVIDUAL THAT IN OUR OFFICE IS ASSIGNED TO THE
21 PROBATION DEPARTMENT, WE HAVE AN ANALYST FOR THE PROBATION
22 DEPARTMENT AND AN ASSIST.

23

24 **SUP. YAROSLAVSKY:** THEY HANDLE ALL KINDS OF THINGS, NOT JUST
25 THIS.



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **JACQUIE WHITE:** THEY HANDLE ALL KIND OF THINGS FOR PROBATION.

3

4 **SUP. YAROSLAVSKY:** ALL RIGHT. BUT I'M ASKING ABOUT THESE TWO
5 MOTIONS, THE MARCH MOTION AND THE APRIL MOTION, HOW MANY
6 PEOPLE ARE FOCUSED ON GETTING AN ANSWER TO THESE QUESTIONS?

7

8 **C.E.O. FUJIOKA:** WHO WORKED ON IT IN THE PAST?

9

10 **SUP. YAROSLAVSKY:** PARDON?

11

12 **C.E.O. FUJIOKA:** I SAID, OR WHO WORKED ON IT NOT JUST TODAY.

13

14 **SUP. YAROSLAVSKY:** SINCE MARCH OR APRIL, YEAH.

15

16 **JACQUIE WHITE:** I'LL HAVE TO GO BACK TO THE PROBATION --

17

18 **SUP. YAROSLAVSKY:** YOU DON'T KNOW OFF THE TOP OF YOUR HEAD. ALL
19 RIGHT.

20

21 **JACQUIE WHITE:** I DON'T KNOW OFF THE TOP OF MY HEAD, BUT I CAN
22 TELL YOU IN THE PROBATION DEPARTMENT AND WITH OUR ANALYSTS, WE
23 HAVE AT LEAST THREE TO FOUR PEOPLE LOOKING AT THIS. I WON'T
24 SAY FULL-TIME BECAUSE THEY HAVE OTHER ISSUES THAT FEED INTO
25 THIS.



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **C.E.O. FUJIOKA:** IF I CAN OFFER SOMETHING. WE'RE GOING TO GO
3 BACK TO WHAT SUPERVISOR MOLINA MENTIONED. I JUST TOLD THIS TO
4 BRENT. WE'RE GOING TO TAKE FOR THE POINT THE MOTION WAS
5 APPROVED AND TO APPROPRIATE THE \$79 MILLION. NOW I'M GOING TO
6 PRETEND, I'LL JUST MAKE UP A DATE. JANUARY 1, 2005, SAY THAT'S
7 THE APPROPRIATION DATE. I THINK IT MIGHT HAVE BEEN EVEN
8 EARLIER. BUT REGARDLESS, WHATEVER THE DATE IS. WE WILL
9 IDENTIFY EVERY EMPLOYEE WHO WAS HIRED FROM THAT DATE FORWARD
10 AND THEN START TRACKING WHERE THEY'VE BEEN, WHERE THEY WERE
11 ASSIGNED. BECAUSE WE SHOULD BE ABLE TO FIND -- SAY YOU HIRED
12 2,000 PEOPLE, WE HIRED 2,000 PEOPLE IN THAT TIME. I THINK WHAT
13 WE DID WITH RETURN TO WORK, IT WILL BE A MAMMOTH EFFORT, BUT
14 WHAT WE DID WITH RETURN TO WORK IS PULL THOSE EMPLOYEE FILES.
15 WE SHOULD HAVE THEIR CONTINUOUS SERVICE DATE, THE APPOINTMENT
16 DATE, THE C.S.D. DATE. WE'LL LOOK UP THOSE INDIVIDUALS WHO
17 WERE HIRED AS OF THAT DATE, PULL THEIR FILES, SEE WHERE THEY
18 WERE INITIALLY ASSIGNED. THAT MAY NOT BE TOTALLY ACCURATE
19 BECAUSE YOU HEARD WHAT HAPPENED IN HEADQUARTERS. BUT AT LEAST
20 WE CAN TELL YOU FROM THAT DATE HOW MANY PEOPLE WERE HIRED BY
21 WHAT CLASSIFICATION AND HOPEFULLY, WHERE THEY WERE INITIALLY
22 ASSIGNED. THAT SHOULD BE A GOOD FOUNDATION.

23

24 **SUP. MOLINA, CHAIR:** THERE IS A PLACE IN THIS BASEMENT WHERE
25 THAT COULD WORK.



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **SUP. YAROSLAVSKY:** WE NEED TO GET A COMPREHENSIVE VIEW OF
3 WHAT'S GOING ON, BUT A TRACKING OF WHAT HAPPENED TO THIS. I
4 MEAN, FOR EXAMPLE, YOU DID DETERMINE THAT OF THE \$6 MILLION
5 THAT WAS APPROPRIATED BY THIS BOARD FOR WAS IT HEALTH RECORDS?
6 FOR THE MENTAL HEALTH?

7

8 **JACKIE WHITE:** WAS THAT THE ELECTRONIC --

9

10 **SUP. YAROSLAVSKY:** YEAH, THE ELECTRONIC STUFF, THAT A HALF A
11 MILLION DOLLARS WAS SPENT ON IT AND THE OTHER 5-1/2 MILLION
12 WENT INTO BUDGETARY ETHER TO COVER THEIR SHORTFALL. AND THEN
13 WE HAD TO RE-APPROPRIATE ANOTHER 6 MILLION. SO THAT \$6 MILLION
14 PROGRAM IS COSTING US \$12 MILLION.

15

16 **JACQUIE WHITE:** THAT WAS THE CASE MANAGEMENT SYSTEM.

17

18 **SUP. YAROSLAVSKY:** CASE MANAGEMENT SYSTEM, I APOLOGIZE. I JUST
19 KNOW THAT THERE WAS MONEY THAT WAS SPENT, THAT WAS
20 APPROPRIATED AND WASN'T SPENT. THOSE ARE THE KINDS OF THINGS
21 THAT WE WANT TO GET TO THE BOTTOM OF. AND I THINK YOU GUYS
22 NEED TO KNOW THAT, TOO. SO, ANYWAY, I DON'T SEE ANY -- DO YOU
23 HAVE -- SACHI, DO YOU HAVE THE LANGUAGE?

24



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. MOLINA, CHAIR:** YES, IT'S RIGHT HERE. SO LET'S JUST
2 UNDERSTAND THAT.

3

4 **SUP. YAROSLAVSKY:** COULD YOU READ THE LANGUAGE?

5

6 **SUP. MOLINA, CHAIR:** WHAT WE'RE DOING NOW IS REQUESTING THE
7 AUDITOR-CONTROLLER TO PARTICIPATE IN THE FINANCIAL REVIEW OF
8 THE \$79.9 MILLION.

9

10 **SUP. YAROSLAVSKY:** THAT'S CORRECT.

11

12 **SUP. MOLINA, CHAIR:** ALONG WITH THE C.E.O.

13

14 **SUP. YAROSLAVSKY:** AND PROBATION.

15

16 **SUP. MOLINA, CHAIR:** THE PROBATION DEPARTMENT.

17

18 **SUP. YAROSLAVSKY:** IN ADDITION TO WHAT THEY'RE ALREADY DOING ON
19 YOUR MOTION, ON THE BROADER MOTION. THEY'RE ALREADY WORKING ON
20 THAT. BUT THIS IS FOCUSED ON THE APRIL 20 ASSIGNMENT.

21

22 **SUP. MOLINA, CHAIR:** IS THAT WHAT YOU WANTED?

23

24 **WENDY WATANABE:** GOT IT.

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. YAROSLAVSKY:** ALL RIGHT. I'LL SECOND THAT.

2

3 **SUP. MOLINA, CHAIR:** IS THAT CLEAR, THOUGH?

4

5 **WENDY WATANABE:** YES.

6

7 **SUP. MOLINA, CHAIR:** AND THIS IS COMING BACK, I AM TOLD, 30
8 DAYS YOU WANT IT?

9

10 **SUP. RIDLEY-THOMAS:** MADAM CHAIR, 30 DAYS IS FINE. IT'S
11 REASONABLE.

12

13 **SUP. YAROSLAVSKY:** IT'S A 30-DAY REPORT THAT WE GET TOWARDS
14 SEPTEMBER. I THINK A MONTHLY REPORT ON WHERE THEY ARE IS A
15 GOOD IDEA.

16

17 **SUP. MOLINA, CHAIR:** A 30-DAY REPORT TO TELL US WHERE YOU'RE
18 AT?

19

20 **C.E.O. FUJIOKA:** WE WILL DO THAT.

21

22 **SUP. MOLINA, CHAIR:** ALL RIGHT.

23

24 **SUP. RIDLEY-THOMAS:** SO MOVED.

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. MOLINA, CHAIR:** IT'S BEEN MOVED AND SECONDED. I'M JUST
2 WORRIED THAT IT'S NOT VERY CLEAR. BUT I HOPE IT WILL BE. AND I
3 THINK THAT MAYBE SOME OF YOU SHOULD VISIT WITH SOME OF US TO
4 GET A BETTER UNDERSTANDING OF HOW WE EXPECT THAT. NOT ANOTHER
5 REPORT THAT AT THE END OF THE DAY IS GOING TO TOSS UP ANOTHER
6 UNKNOWN PROBLEM. I REALLY THINK WE NEED TO GET TO THE GUTS OF
7 WHAT THE TANGLE IS HERE. SO IF THERE IS NO OBJECTION, SO
8 ORDERED ON THAT ITEM. NEXT WE HAVE FROM SUPERVISOR KNABE, HE
9 IS REQUESTING THE C.E.O. AND THE AUDITOR-CONTROLLER TO PROVIDE
10 AN UPDATE ON THE E.C.A.P.S. SYSTEM AND THE ITEM CONTROL FOR
11 THE COUNTY. AND I THINK IT'S JUST BECAUSE OF FRUSTRATION OF
12 NOT KNOWING THAT THIS WAS NOT IN PLACE, IS THAT CORRECT? SO
13 THAT'S BEEN MOVED AND SECONDED. IS THERE ANY OBJECTION TO THAT
14 MOTION? ALL RIGHT.

15

16 **SUP. YAROSLAVSKY:** MADAM CHAIR, IF I COULD JUST FOR DON'S
17 BENEFIT, READING FROM THE JUNE 7 C.A.O. REPORT THAT 6-1/2
18 MILLION WAS FOR THE PROBATIONS ELECTRONIC MEDICAL RECORDS
19 SYSTEM. HALF A MILLION WAS SPENT AND 6-1/2 MILLION WAS
20 APPROPRIATED, 500,000 WAS SPENT AND 6 MILLION WAS USED TO
21 PARTIALLY OFFSET THE DEPARTMENT'S DEFICIT.

22

23 **DONALD BLEVINS:** WAS THAT FOR THE P.C.M.S. SYSTEM?

24

25 **SUP. YAROSLAVSKY:** I DON'T KNOW WHAT THE ACRONYM IS, P.E.M.R.S.



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1

2 **DONALD BLEVINS:** THAT'S DIFFERENT, THEN.

3

4 **SUP. YAROSLAVSKY:** I'M READING FROM THE C.E.O.'S JUNE 7TH
5 REPORT.

6

7 **DONALD BLEVINS:** I REMEMBER THAT ONE.

8

9 **SUP. YAROSLAVSKY:** YOU CAN CHECK IT OUT, ALL RIGHT. THANKS.

10

11 **SUP. MOLINA, CHAIR:** MR. BLEVINS, JUST SO YOU UNDERSTAND THE
12 FRUSTRATION THAT WE'RE HAVING HERE. I KNOW THAT YOU INHERITED
13 THIS TANGLED MESS AND SO DID CAL. BUT THE REALITY IS THIS IS
14 VERY TROUBLING FOR US. I THINK THAT THIS BOARD HAS MADE EVERY
15 SINGLE EFFORT, AND NOT JUST BECAUSE D.O.J. HAS MADE THAT
16 REQUEST OF US. BUT ACROSS-THE-BOARD IN TRYING TO MEET WHATEVER
17 THE SHORTCOMINGS WERE OF THE PROBATION DEPARTMENT TO CARRY OUT
18 ITS WORK. AND UNFORTUNATELY, WHAT WE HAVE BEEN FINDING, AGAIN,
19 AS COOPERATIVE, AND THIS STARTED IN 2004. IN COOPERATIVE IN
20 TRYING TO PUT THESE DOLLARS IN TO THE DEPARTMENT. IT IS JUST
21 SHAMEFUL FOR US AT THIS POINT IN TIME TO NOT BE ABLE TO GET A
22 BETTER HANDLE ON IT. SO THAT'S A FRUSTRATION LEVEL FOR US. AND
23 I KNOW THAT IT'S VERY COMPLICATED WITHIN THE BUREAUCRACY WHEN
24 YOU'RE TALKING ABOUT H.R. AND CLASSIFICATIONS AND ACCOUNTING
25 SYSTEMS AND E.C.A.P.S. AND NON-E.C.A.P.S. BUT I HOPE THAT YOU



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 UNDERSTAND THAT WE'RE ASKING YOU TO TAKE FULL COMMAND OF THIS.
2 YOU ARE GOING TO HAVE THE AUDITOR-CONTROLLER, THE C.E.O. THAT
3 ARE GOING TO BE WORKING WITH YOU ON THIS. BUT IT REALLY
4 REQUIRES YOU TO PUT IN PLACE WITH YOUR SUPERVISORS AND YOUR
5 MANAGERS TO RECOGNIZE AND UNDERSTAND THAT THIS BOARD IS NOT
6 GOING TO HAVE NOT ONLY THE RESOURCES BUT THE CONFIDENCE TO
7 CONTINUE TO APPROVE RESOURCES TO THIS DEPARTMENT IF YOU CAN'T
8 GET CONTROL AND MANAGE YOUR RESOURCES. IT'S CRITICALLY
9 IMPORTANT. SO WAITING TILL AUGUST THINKING IT MIGHT HAPPEN IN
10 SEPTEMBER, MAYBE NOVEMBER WILL ONLY CREATE MORE AND MORE
11 PROBLEMS. SO I HOPE YOU APPRECIATE THE URGENCY. WE'RE NOT
12 TRYING TO BLAME YOU FOR ANY OF THIS BECAUSE WE KNOW YOU
13 INHERITED. BUT WE'RE ASKING YOU TO REALLY TAKE COMMAND OF IT
14 AND COME BACK AS QUICKLY AS POSSIBLE WITH AT LEAST SOME
15 STRATEGY OF HOW YOU'RE HANDLING IT OTHER THAN VARIOUS ATTEMPTS
16 ARE BEING MADE, ALL THINGS ARE WORKING ON IT. THAT JUST ISN'T
17 SATISFYING AT THIS LATE DATE. SO I HOPE YOU UNDERSTAND THE
18 FRUSTRATION LEVEL HERE.

19

20 **DONALD BLEVINS:** YES, SUPERVISOR.

21

22 **SUP. MOLINA, CHAIR:** THANK YOU SO MUCH.

23



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **CLERK SACHI HAMAI:** MADAM CHAIR, IF WE COULD GO BACK TO ITEM
2 NO. 9, I BELIEVE SUPERVISOR ANTONOVICH WOULD LIKE TO
3 RECONSIDER.

4

5 **SUP. MOLINA, CHAIR:** ALL RIGHT. SUPERVISOR ANTONOVICH ASKED FOR
6 RECONSIDERATION. SECONDED BY MYSELF. IF THERE'S NO OBJECTION,
7 WE'RE BACK ON ITEM 9. SUPERVISOR ANTONOVICH?

8

9 **SUP. ANTONOVICH:** I'D LIKE TO AMEND THIS REPORT TO REFLECT THE
10 BOARD WILL BE NOTIFIED THAT THE COST OF A BOARD-ORDERED AUDIT
11 BEFORE THE AUDITOR-CONTROLLER ACTUALLY TAKES THE AUDIT.

12

13 **SUP. MOLINA, CHAIR:** SECOND. ARE THERE ANY OBJECTIONS? ALL
14 RIGHT. IF NOT, SO ORDERED ON THAT ITEM. OKAY. NOW WE ARE BACK
15 ON.

16

17 **C.E.O. FUJIOKA:** ITEM 13, PLEASE?

18

19 **SUP. MOLINA, CHAIR:** ITEM 13 ON THE NEXT PAGE.

20

21 **C.E.O. FUJIOKA:** SO A REPORT THAT WE DEVELOPED WITH THE SHERIFF
22 ON HOW FUNDING OF 2.6 MILLION WILL BE ALLOCATED FOR PATROLS
23 AMONG UNINCORPORATED COMMUNITIES. THERE IS IN A REPORT
24 ATTACHED TO THE REPORT SHOWS THE BREAKDOWN OR THE ALLOCATION
25 OF THE \$2.6 MILLION WHICH EQUALS 17 DEPUTY SHERIFF POSITIONS



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 THAT WOULD BE ASSIGNED TO UNINCORPORATED PATROL. I ASK THAT
2 YOU RECEIVE AND FILE THIS REPORT.

3

4 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT ITEM IS BEFORE US.

5

6 **C.E.O. FUJIOKA:** RECEIVE AND FILE, PLEASE.

7

8 **SUP. ANTONOVICH:** MOVE.

9

10 **SUP. MOLINA, CHAIR:** IT'S BEEN MOVED AND SECONDED. IF THERE IS
11 NO OBJECTION, SO ORDERED. ITEM NO. 14.

12

13 **C.E.O. FUJIOKA:** NO. 14 IS A REPORT DEVELOPED BY BOTH OUR
14 OFFICE AND THE DIRECTOR OF PUBLIC HEALTH ON HOW THE
15 PROGRAMMATIC AND SERVICE CURTAILMENTS AND HEALTH
16 REGIONALIZATION PLAN WILL IMPACT L.A. COUNTY RESIDENTS. THIS
17 REPORT SHOWS A MAP OR IT DESCRIBES THE VOLUME AND
18 ACCESSIBILITY OF ALL CURRENT DEPARTMENT OF HEALTH SERVICES
19 PROGRAMS AND SERVICES, A DESCRIPTION OF THE POTENTIAL IMPACT,
20 THE EXTENT TO WHICH THE IMPACT THESE CURTAILMENTS AND CLINIC
21 CONSOLIDATIONS COULD BE MITIGATED BY OTHER FUNDS, THE
22 RATIONALE SUPPORTING THE RECOMMENDED CHANGES, AND THE SPECIFIC
23 OUTCOME GOALS THAT GUIDE THIS DECISION. NOW, IT SHOULD BE
24 RECOGNIZED THAT THE FINAL CHANGES, THIS OFFICE, WORKING WITH
25 YOUR STAFF AND WITH PUBLIC HEALTH STAFF, WE'VE INCLUDED SOME



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 ADJUSTMENTS WHICH WILL RESTORE FILLED BUDGETED POSITIONS
2 PREVIOUSLY ELIMINATED IN A PROPOSED BUDGET. THIS INCLUDES AN
3 ADDITIONAL \$1.8 MILLION IN RE-ALIGNMENT MONEY, ANOTHER, A
4 CARRYOVER \$1.7 MILLION FROM THE D.P.H.-GENERATED FUND BALANCE
5 FOR THIS YEAR INTO NEXT YEAR. AND THEN THE REQUESTED TRANSFER
6 OF \$3 MILLION FROM THE P.F.U. TO PUBLIC HEALTH OPERATING
7 ADJUSTMENT. THIS IS CURRENTLY IN THE FINAL BUDGET THAT WAS
8 APPROVED IN ITEM NO. 4. I ASK THAT YOU RECEIVE AND FILE.

9

10 **SUP. MOLINA, CHAIR:** ALL RIGHT. WE HAVE A MOTION TO RECEIVE AND
11 FILE. SECONDED? ANY QUESTION OR COMMENT?

12

13 **C.E.O. FUJIOKA:** THE LAST ITEM THAT WE HAVEN'T HANDLED BUT
14 WE'VE HAD I THINK THE DISCUSSION YOU JUST -- WE WENT THROUGH
15 THIS MORNING SHOULD ADDRESS NO. 5. AND THAT'S THE BOARD'S
16 REVISIONS, ADDITIONS, OR CHANGES. AND WITH THAT, ADDITIONAL
17 INSTRUCTIONS TO OUR OFFICE TO REPORT BACK ON SOME OF THESE
18 ITEMS TODAY. SO I BELIEVE WE CAN MOVE ON 5 NOW?

19

20 **SUP. MOLINA, CHAIR:** ALL RIGHT ON ITEM NO. 5, ANY QUESTION OR
21 COMMENT ON THAT? THERE'S NO OBJECTION. SO ORDERED ON THAT.

22

23 **C.E.O. FUJIOKA:** WITH THAT, I BELIEVE WE'VE COMPLETED THE
24 AGENDA.

25



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **SUP. MOLINA, CHAIR:** ALL RIGHT. WELL WE HAVE OUR ON THE OTHER
2 ITEMS ON JUST 5, 15 THROUGH --

3

4 **C.E.O. FUJIOKA:** OH, I'M SORRY. THAT'S RIGHT. THE OTHER BUDGET
5 ITEMS. I WAS ANXIOUS. [LAUGHTER.]

6

7 **SUP. MOLINA, CHAIR:** YOU WERE ANXIOUS. WELL, AGAIN, THIS IS A -
8 -

9

10 **C.E.O. FUJIOKA:** A NUMBER OF MINISTERIAL CHANGES.

11

12 **SUP. MOLINA, CHAIR:** YEAH. WE HAVE A MOTION ON ITEM NO. 15?
13 MOVED BY SUPERVISOR KNABE. SECONDED BY SUPERVISOR YAROSLAVSKY.
14 IF THERE'S NO OBJECTION, SO ORDERED ON 15. WHAT ABOUT 16? DO
15 WE NEED WENDY, OUR AUDITOR-CONTROLLER, TO COME UP?

16

17 **C.E.O. FUJIOKA:** 16 TO APPROVE THE REVISED FIGURES AS A FINAL
18 BUDGET FOR FISCAL YEAR 2010/2011, INSTRUCT THE AUDITOR-
19 CONTROLLER TO PREPARE AND PRESENT THE FINAL BUDGET RESOLUTION
20 FOR BOARD ADOPTION.

21

22 **SUP. MOLINA, CHAIR:** ALL RIGHT.

23

24 **WENDY WATANABE:** MADAM CHAIR, MEMBERS OF THE BOARD, WENDY
25 WATANABE, AUDITOR-CONTROLLER. THE FISCAL YEAR 2010/11 BUDGET



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 RESOLUTION, WHICH INCLUDED THE CHANGES APPROVED BY YOUR BOARD
2 TODAY IS BALANCED AND READY FOR YOUR BOARD'S CONSIDERATION.

3

4 **SUP. MOLINA, CHAIR:** ALL RIGHT. THAT ITEM IS BEFORE US. MOVED
5 BY SUPERVISOR YAROSLAVSKY? SECONDED BY SUPERVISOR KNABE. IF
6 THERE ISN'T ANY OBJECTION, SO ORDERED ON THAT ITEM. SO IS 17
7 WE NEED TO DO?

8

9 **C.E.O. FUJIOKA:** SOME JUST LAST MISCELLANEOUS ACTIONS FOR YOUR
10 BOARD'S APPROVAL.

11

12 **SUP. MOLINA, CHAIR:** ALL RIGHT. WE WENT THROUGH THOSE. AGAIN
13 MOVED ON THAT ITEM BY SUPERVISOR RIDLEY-THOMAS. SECONDED BY
14 SUPERVISOR ANTONOVICH. IF THERE'S NO OBJECTION, SO ORDERED ON
15 ITEM NO. 17. ALL RIGHT NO. 18 IS OUR BUDGET. THE FULL AND
16 COMPLETE BUDGET RESOLUTION. ALL RIGHT. DO WE HAVE A MOTION ON
17 THAT? MOVED BY SUPERVISOR YAROSLAVSKY. SECONDED BY SUPERVISOR
18 ANTONOVICH. OH, SUPERVISOR ANTONOVICH, SECONDED BY SUPERVISOR
19 YAROSLAVSKY. ANY OBJECTION? IF NOT, SO ORDERED. THAT ADOPTS
20 OUR BUDGET AND CONCLUDES TODAY'S HEARING. WE DON'T HAVE
21 ANYTHING UNDER PUBLIC COMMENT? NO. ALL RIGHT. SO I'M GOING TO
22 ASK OUR EXECUTIVE OFFICER TO PLEASE CALL US INTO CLOSED
23 SESSION.

24



**The Meeting Transcript of
The Los Angeles County Board of Supervisors**

1 **CLERK SACHI HAMAI:** IN ACCORDANCE WITH BROWN ACT REQUIREMENTS,
2 NOTICE IS HEREBY GIVEN THAT THE BOARD OF SUPERVISORS WILL
3 CONVENE IN CLOSED SESSION TO DISCUSS ITEM NO. CS-1, CONFERENCE
4 WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION.

5

6 **SUP. ANTONOVICH:** GLORIA, I HAVE A MOTION.

7

8 **SUP. MOLINA, CHAIR:** OH, YOU HAVE A MOTION, I'M SORRY.

9

10 **SUP. ANTONOVICH:** OKAY. I WOULD LIKE TO MOVE THAT WHEN WE
11 ADJOURN TODAY WE ADJOURN IN MEMORY OF DAWSON "OPPIE"
12 OPPENHEIMER, WHO WAS MY PRESS SECRETARY. AND SUPERVISOR KNABE
13 IS GOING TO JOIN WITH THIS. OPPIE PASSED AWAY ON JUNE 6 AT 87.
14 HE ORIGINALLY WAS FROM BUTTE, MONTANA, SERVED IN WORLD WAR II.
15 AND AFTER THE WAR HE WAS A REPORTER FOR THE ASSOCIATED PRESS
16 IN THE '50S, '60S AND '70S, WHERE HE TRAVELED THE WORLD,
17 COVERING WORLD LEADERS, SPORTS FIGURES AND CELEBRITIES. AND
18 THEN IN LOS ANGELES COUNTY HE WORKED FOR THE "LOS ANGELES
19 HERALD-EXAMINER," THE "GREEN SHEET" AND THE CITY NEWS SERVICE.
20 HE WAS ONE OF THE GREAT, LAST GREAT NEWSPAPER MEN COMMITTED TO
21 FAIRNESS, BALANCE AND UNBIASED REPORTING OF THE NEWS. OPPIE
22 WAS MY PRESS DEPUTY FOR 10 YEARS, FROM 1984 TO '94. VERY
23 PASSIONATE ABOUT HIS GETTING ACCURATE, TIMELY INFORMATION. HE
24 WAS A MENTOR TO MANY YOUNG REPORTERS, MANY OF MY STAFF MEMBERS
25 AND A FIXTURE IN OUR HALL OF ADMINISTRATION. EVERY MORNING HE



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1 WOULD HOLD COURT WITH ALL THE LOCAL NEWSPAPER REPORTERS IN THE
2 CAFETERIA, WHERE HE WOULD CLIP OUT THE NEWS ITEMS FOR THE DAY.
3 HE WAS A VERY GOOD MAN, A GOOD FRIEND. HE LOST HIS WIFE,
4 AUDREY, MANY YEARS AGO, WHO WAS QUITE INVOLVED WITH CHILD
5 ABUSE PROGRAMS IN THE PASADENA AREA AND A VERY WONDERFUL LADY.
6 BUT THEN HE RETIRED TO FLORIDA AND ONE OF HIS VERY NICE
7 FRIENDS WAS PEARL WHO CAME OUT HERE A COUPLE YEARS AGO. SOME
8 OF YOU MET HER AND OPPIE WHEN THEY WERE HERE. HE WAS JUST AN
9 INCREDIBLE PERSON, A GREAT ROLE MODEL. AND HIS SON, PRESTON,
10 WORKS FOR OUR DEPARTMENT OF CHILDREN AND FAMILY SERVICES IN
11 THE ANTELOPE VALLEY. AND HE HAS TWO DAUGHTERS, AS WELL, AND
12 SIX GRANDCHILDREN. BUT HE WAS MR. INTEGRITY AND JUST A
13 WONDERFUL, WONDERFUL FRIEND. AND HE PASSED AWAY ON JUNE 6.

14

15 **SUP. YAROSLAVSKY:** I'D LIKE TO ADD MY NAME TO THAT ONE.

16

17 **SUP. KNABE:** OPPIE WAS A GREAT GUY.

18

19 **SUP. YAROSLAVSKY:** OPPIE USED TO COVER US IN CITY HALL FOR CITY
20 NEWS SERVICE. HE WAS JUST AN OLD-LINE BEAT REPORTER WHO YOU
21 COULD TRUST. HE WAS ALWAYS FAIR. AND A GENUINELY NICE HUMAN
22 BEING.

23

24 **SUP. MOLINA, CHAIR:** ALL RIGHT. SO ORDERED ON THOSE
25 ADJOURNMENTS.



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1

2 **CLERK SACHI HAMAI:** OKAY. IN ACCORDANCE WITH BROWN ACT
3 REQUIREMENTS, NOTICE IS HEREBY GIVEN THAT THE BOARD OF
4 SUPERVISORS WILL CONVENE IN CLOSED SESSION TO DISCUSS ITEM NO.
5 CS-1, CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING
6 LITIGATION, ITEMS NO. CS-2 AND CS-3, CONFERENCE WITH LEGAL
7 COUNSEL CONCERNING SIGNIFICANT EXPOSURE TO LITIGATION, ONE
8 CASE EACH. ITEM NO. CS-4, CONSIDERATION OF CANDIDATE FOR
9 APPOINTMENT TO THE POSITION OF DIRECTOR OF HEALTH SERVICES AND
10 CONFERENCE WITH LABOR NEGOTIATOR, WILLIAM T. FUJIOKA, CHIEF
11 EXECUTIVE OFFICER. ITEM NO. CS-5, PURSUANT TO HEALTH AND
12 SAFETY CODE SECTION 1461, THE BOARD WILL BE DISCUSSING THE
13 FINDINGS OF THE QUALITY ASSURANCE REVIEWS RELATED TO THE
14 PROVISION OF CARE AT OLIVE VIEW MEDICAL CENTER'S NEONATAL
15 INTENSIVE CARE UNIT. AND ITEM NO. CS-6, CONFERENCE WITH REAL
16 PROPERTY NEGOTIATORS GRAND AVENUE COMMITTEE INC., MEMBERS WITH
17 RESPECT TO CERTAIN PARCELS OF THE BUNKER HILL URBAN RENEWAL
18 PROJECT AREA AND THE PARK PARCEL AS INDICATED ON THE POSTED
19 AGENDA. DUE TO THE STATEWIDE ELECTION ON TUESDAY, JUNE 8, THE
20 NEXT REGULAR MEETING OF THE BOARD OF SUPERVISORS IS SCHEDULED
21 FOR WEDNESDAY, JUNE 9, 2010 AT 9:30 A.M. THANK YOU.

22

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1 **REPORT OF ACTION TAKEN IN CLOSED SESSION TUESDAY, JUNE 7, 2010**

2

3

4

5 CS-1. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION

6 (Subdivision (a) of Government Code Section 54956.9) County of

7 Los Angeles, et al. v. Michael Genest, County of Sacramento

8 Superior Court Case No. 34-2009-80000362-CU-WM-GDS.

9

10 This litigation challenges the constitutionality of State law
11 passed in 2009 which shifted local redevelopment revenues from
12 counties to help balance the State budget. (10-1231)

13

14 The Board authorized County Counsel to take an appeal of the
15 Superior Court's ruling in the matter of County of Los
16 Angeles, et al. v. Michael Genest, County of Sacramento.

17

18 The vote of the Board was unanimous with all Supervisors
19 present.

20

21 No reportable action was taken on items CS-2, CS-3, CS-4, CS-5
22 or CS-6.

23

24

25



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1 I, JENNIFER A. HINES, Certified Shorthand Reporter Number
2 6029/RPR/CRR qualified in and for the State of California, do
3 hereby certify:

4 That the transcripts of proceedings recorded by the Los
5 Angeles County Board of Supervisors June 7, 2010,
6 were thereafter transcribed into typewriting under my
7 direction and supervision;

8 That the transcript of recorded proceedings as archived
9 in the office of the reporter and which have been provided to
10 the Los Angeles County Board of Supervisors as certified by
11 me.

12 I further certify that I am neither counsel for, nor
13 related to any party to the said action; nor
14 in anywise interested in the outcome thereof.

15 IN WITNESS WHEREOF, I have hereunto set my hand this 9th
16 day of June 2010, for the County records to be used only for
17 authentication purposes of duly certified transcripts
18 as on file of the office of the reporter.

19

20 JENNIFER A. HINES

21 CSR No. 6029/RPR/CRR

22